



Daily Report

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Daily Report

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NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

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General

Role of China's Multilateral Trade System Eyed

HK1304083191 Beijing RENMIN RIBAO
in Chinese 5 Apr 91 p 7

[“Special commentary” by Liu Guangxi (0491 0342 3305); “Role of Multilateral Trade System and Challenge Facing It”]

[Text] The current multilateral trade system is mainly based on the General Agreement on Tariffs and Trade [GATT], and it also includes a series of additional agreements and framework agreements concluded through negotiations as appendixes to GATT over the past years. GATT was initiated by such developed countries as Britain and the United States after the end of World War II, and was signed in October 1947. Since GATT came into force, the volume of world trade has multiplied almost 10 times, and the number of GATT signatory countries also increased from 23 at the beginning to 98 at present. Including countries with ties to GATT, the number exceeds 120. The volume of trade among the GATT signatory countries accounts for nearly 90 percent of the world's total trade volume. Since the early 1960's, the GATT-based multilateral trade system has had a far-reaching impact on the development of international trade, the changes in the trade pattern, the evolution of the trade competition rules, the adjustments of multilateral trade relations, and the formulation of trade policies and domestic legislation related to foreign trade in the signatory countries, and has greatly promoted the development of postwar trade liberalization. This is mainly reflected in the following facts:

First, in the field of tariffs, GATT held seven rounds of negotiations on reducing tariffs, and this greatly promoted trade development among the signatory countries.

Second, in the non-tariff field, GATT succeeded in standardizing a multitude of non-tariff measures to a certain extent through holding multilateral trade talks and concluding multilateral agreements, and this restrained the spread of new trade protectionism in the world.

Third, in order to keep pace with the changes in the trade situation, GATT made timely adjustments through revising and perfecting various relevant trade rules in good time. Sometimes, new trade rules were added to cover the new trade scope and to meet the changing trade patterns. This greatly enriched the contents of international trade law.

Fourth, in the aspect of handling favorable trade arrangements for developing countries, GATT set up the “Developing Nations’ Trade Negotiation Committee,” thus laying a foundation for holding tariff and trade talks among developing nations. This move greatly promoted trade development among developing nations and South-South cooperation.

Fifth, in the aspect of settling trade disputes, GATT gradually set up a series of dispute settlement mechanisms including notification, consultation, coordination, and joint action procedures. The major principle is “to lay stress on consultation and mediation, with retaliation as a supplementary means.” This reduced trade frictions between various nations, created a rather stable and relaxed external environment for the development of international trade, restrained the spread of unilateral and bilateral measures of protectionism, and also safeguarded the trade interests of some weak and small nations.

Sixth, GATT provided a place for holding trade negotiations in order to solve special issues.

In short, in more than 40 years since the end of World War II, the GATT-based multilateral trade system has played an important role in promoting trade liberalization, improving trade rules, settling trade disputes, and checking the spread of trade protectionism. Since the 1980's, the GATT-based multilateral trade system has not only been faced with disturbances from various traditional issues but also faced with stern challenges from some new issues due to the appearance of the following factors: The contents of international trade were getting richer; direct foreign investment was expanding; the life cycle of new technology was getting shorter; the degree of internationalization, cooperation, and specialization in the procedures of production was getting higher; the growth of multinational companies engaged in the service industry exceeded the growth of multinational companies engaged in the manufacturing industry; various forms of protectionist measures were spreading; issues concerning intellectual property rights, investment, service, and other fields of invisible trade and concerning the tendency of regional grouping appeared in large quantity.

First, new protectionist measures that get around the GATT-based multilateral trade system have become rampant. Through the seven rounds of tariff reduction talks arranged by GATT, the role of tariffs in protecting a nation's domestic market has become much smaller, and various major Western nations have done a great deal in the non-tariff fields and adopted new protectionism by building up non-tariff trade barriers. In particular, since the early 1970's, when facing the financial crises, economic recessions, and “stagflation,” the major developed nations successively adopted such non-tariff measures as issuing import licenses, imposing quantitative restraints, and anti-dumping and anti-subsidy moves to protect their domestic markets. These measures distorted the prices of the commodities subject to restrictions and seriously disrupted the normal development of international trade. The non-tariff measures constitute a new scope in terms of negotiation techniques as well as in legal terms for GATT, however. This is because first, the enforcement and the contents of the non-tariff measures are far more complicated than those of the tariff measures. Moreover, as the non-tariff measures are implemented against different backgrounds and serve different purposes, it is very difficult to classify

them in order to formulate pertinent regulations. Secondly, in view of the actual conditions, it is also difficult for GATT to make quantitative analysis of the impact of a certain non-tariff measure on trade. Since the 1980's, the non-tariff measures have been applied to a wider and wider scope of trade, and have produced greater and greater influence. This has seriously disrupted the implementation of GATT's principle of "laying stress on tariff protection" in the trade practice of various signatory nations.

Second, the multilateral trade system has been corroded more and more by measures in the "gray areas." Since the mid-1970's, such "gray area" measures as the automatic export restraint agreements on protected sensitive industries and orderly sale arrangements have appeared one after another. Moreover, certain production departments also concluded agreements in private, which seriously worsened the relatively open trade environment under the terms of GATT. These measures are regarded as "gray" because their legal position is rather vague, and they make it hard for the relevant terms of GATT to play an effective role in guaranteeing the trade interests of the signatory nations concerned.

Third, the debt crises in some developing countries caused unrest in international financial circles, and this seriously affected the normal development of world trade and added new difficulties to the GATT-based multilateral trade system. The total amount of debts owed by developing nations exceeded \$1,320 billion by the end of 1990. In order to lighten their debt burdens and to raise their ability to repay debts and pay interest, many countries were forced to adopt measures restricting imports. This has hindered the normal growth in imports and exports.

Fourth, some longstanding difficult issues such as trade in agricultural products and textile goods have increasingly become obstacles to multilateral trade negotiations and to the process of trade liberalization. For example, the policies adopted by the European Community and the United States under their domestic pressure to support agriculture and to provide huge subsidies for their agricultural products have seriously disrupted the development of agricultural product trade in the world, and impaired the interests of small and intermediate agricultural product exporting nations.

Fifth, the rise of a tendency toward regional grouping has brought about an upsurge of bilateralism and regional multilateralism, and has endangered the multilateral coordinating functions and the most-favored-nation arrangements of GATT. The formation of a unified large European market in 1992, the emergence of the North American free trade zone, and the brewing of the Asian-Pacific economic circle have given rise to regional economies and have posed challenges to GATT regulations on forming "tariff alliances" and "free trade zones."

Finally, the unprecedented development of service, technical trade, and foreign investment has all greatly gone

beyond the jurisdiction scope of the GATT-based multilateral trade system which is mainly aimed at coordinating tangible trade. The service industry, trade-related intellectual property rights, and trade-related investment measures have become three major questions which urgently need to be resolved under the current multilateral trade system. They not only reflect the North-South contradictions, but are also related to the sharp confrontation among developed nations. The involvement of the three knotty questions in the GATT-based multilateral trade system is an extremely complicated and contradiction-ridden task. This has been shown in the fact that the Uruguay Round multilateral talks encountered numerous obstructions.

At present, it is an irreversible trend in the Uruguay Round to form separate relatively independent multilateral agreements in the service industry, for intellectual property rights, and in investment measures. If all GATT signatory nations still cannot find the most suitable form at the time being to include these separate agreements and framework agreements in the GATT structure and its legal system, then the current multilateral trade system will face the danger of being further "dismembered" and split, still less will it be possible to implement the separate agreements within the scope of GATT.

As the current multilateral trade system is facing so many difficulties and challenges, the international community has shown great concern over the state of affairs and has put forward many proposals. Since early 1990, the European Community and Canada have successively put forth a series of new proposals aimed at "reforming GATT, resurrecting the international trade organization, and strengthening the functions of the existing multilateral trade system." These proposals have won support from the United States and the international organizations concerned.

These proposals mainly represented the position and interests of the big trade powers in the West, however, and did not give full consideration to the reasonable demands and economic conditions of developing countries. So they were left out in the cold and were not officially discussed in the multilateral talks. It seems that seeking a way to build an international trade organization that enables all nations to become its members, covers a wide scope of trade, makes policy decisions on an equal footing, has a strong binding force, coordinates growth and expansion, and coordinates the financial policies with the trade policies, thus reinforcing the functions of the current multilateral trade system, will continue to be an urgent task for the international economic and trade community at present and in the future.

PRC To Assist UN Peacekeeping Efforts in Gulf

OWJ304035691 Beijing XINHUA in English
0157 GMT 13 Apr 91

[Text] United Nations, April 12 (XINHUA)—The U.N. Security Council today agreed to Secretary-General

Javier Perez de Cuellar's proposal that the U.N. Iraq-Kuwait Observation Mission (UNIKOM) will consist of military observers from 34 countries.

In a letter to the president of the Security Council last night, the U.N. chief informed him that all the countries "have expressed their readiness in principle to make the necessary personnel available."

He asked the president to bring this matter to the attention of the members of the Security Council.

The Council president, in his reply today, said the Council members considered the matter today and "agreed with the proposal."

UNIKOM, provided for by Security Council Resolution 687 and formally created by the Council under Resolution 689, will have an initial group of 300 military observers.

The 33 [figure as received] countries include the five permanent members of the Security Council—Britain, China, France, the Soviet Union and the United States. This is the first time that all the five permanent members contribute to a U.N. peacekeeping unit.

UNIKOM, whose maximum initial strength is 1,440, will also include five infantry companies, a logistic unit and a field engineer unit and it will patrol a 200-kilometer demilitarized zone between Iraq and Kuwait and the 40-kilometer-long Khor 'Abdallah.

Other contributing countries include Austria, Bangladesh, Canada, Chile, Denmark, Fiji, Finland, Ghana, Greece, Hungary, India, Indonesia, Ireland, Italy, Kenya, Malaysia, Nigeria, Norway, Pakistan, Poland, Romania, Senegal, Singapore, Sweden, Switzerland, Thailand, Turkey, Uruguay and Venezuela.

Meanwhile, Francois Giuliani, spokesman for the U.N. chief, told reporters at the noon briefing today that an advanced group of UNIKOM, including chief military observer Guenther Griendl, will arrive in Kuwait Saturday instead of Friday as earlier announced "due to various delays."

He said Griendl's team, consisting of about 30 people including military and political advisers, logistics personnel and administrative staff, is expected to confer with government authorities in Kuwait City before going to Baghdad with some members of his team for similar consultations with Iraqi officials.

Griendl is not expected to deploy to the demilitarized zone before the two sets of consultations are completed, the spokesman said.

Reports, Comments Assess Baker's Mideast Visit

'No Apparent Breakthrough'

OW1404004591 Beijing XINHUA in English
0006 GMT 14 Apr 91

[“News Analysis: Middle East Peace Process Witnesses No Breakthrough (By Fu Wei Qian)”—XINHUA headline]

[Text] Amman, April 13 (XINHUA)—The Middle East peace process has witnessed certain progress following U.S. Secretary of State James Baker's just-concluded tour to the region but no apparent breakthrough in pursuance of a just and comprehensive settlement of the Arab-Israeli conflict.

Baker's Middle East tour, the second in one month, took him to Turkey, Israel, Egypt and Syria. The trip also included respective meetings with Saudi Arabian and Jordanian foreign ministers in Cairo and Geneva.

Baker carried with him peace proposals whose outlines could be summed up as follows:

First, the convocation of a regional peace conference to resolve the Arab-Israeli conflict under the auspices of the United States and with the participation of the Soviet Union;

Second, right after the inaugural session of this conference, parallel negotiations are to take place between Israel and the Arab states on the one hand and Israel and the Palestinians on the other;

Third, all the parties concerned are to take part in the proposed conference, including a joint Jordanian-Palestinian delegation; and

Fourth, the conference should convene this summer either in Cairo or Washington.

Israel reportedly agreed to the plan while Egypt appears to be cautious with a Middle East regional conference. Jordan was said to have showed support for a conference as Jordanian Foreign Minister Tahir al-Masri said during his Geneva meeting with Baker Friday that his country was interested in the crux and contents of the negotiations proposed by the United States.

Syria, however, did not give an official consent to Washington's ideas on the regional conference. Syrian Foreign Minister Faruq al-Shar' said Syria supports the convocation of a Middle East peace conference with a significant United Nations role, but he indicated that there were some positive elements in the American plan.

The Palestine Liberation Organization (PLO) is opposed to the parallel negotiations out of the conviction that the American plan constitutes a conspiracy to deny the rights of the Palestinian people.

Baker, during his meeting with Palestinian leaders from the West Bank and Gaza Strip, put forward the idea of giving Palestinians in the occupied lands a transitional autonomy for three years.

Baker called the autonomy a status higher than self-rule but less than statehood, reports said.

He said Palestinians should negotiate with Israel through the regional conference on the establishment of autonomy to be followed in three years by further talks over the implementation of U.N. Security Council Resolutions 242 and 338, which call for Israel's withdrawal from the Arab territories it occupied in the 1967 Middle East war.

Palestinian sources here, however, described Baker's proposal as an attempt to bypass the United Nations and separate the Palestinian problem from the Arab-Israeli conflict.

They said the plan is still tilted toward Israel and constitutes a support for Israel's policy of no international peace conference, no participation of the PLO and no independent Palestinian state.

Observers held that after his two exploratory missions Baker will return to the region before long to continue his efforts to activate the Middle East peace process and exploit the opportunity for peace that is believed to have appeared in the aftermath of the Gulf war.

Arab-Israeli Disagreements Noted

OW1304042891 Beijing in English to East and South Africa 1700 GMT 11 Apr 91

[Station commentary by (Zhang Guohua)]

[Text] U.S. Secretary of State James Baker has spent most of the past few weeks in the Middle East, trying to arrange a basis for future Middle East talks. But as (Zhang Guohua) explains in the following Radio Beijing commentary, Israel and the Arab world are still far apart in their demands.

The United States has been very busy since the end of the Gulf war trying to bring the leaders of the Middle East closer to agreement. Secretary of State James Baker left Cairo on Thursday. He is also scheduled to meet with officials from Saudi Arabia, Jordan, and Syria during his latest round of talks.

Baker has listened to proposals from Israel and some Palestinians as well. The secretary of state's visits, in part, aim to alleviate Arab hostility against the United States. Egypt, Syria, and Saudi Arabia were among the Arab countries to join the coalition against Iraq. The United States is now turning to these three countries to gain support for peace. Syria issued an uncompromising statement on Wednesday, however, accusing Israel of trying to sabotage Baker's peace mission. Syria vows not to accept anything less than the withdrawal of Israel from the occupied West Bank and Gaza Strip.

Egypt has also taken a tougher stand for talks. Foreign Minister Ahmad 'Ismat 'Abd-al-Majid says Egypt wants all five permanent members of the UN Security Council—Britain, France, China, the Soviet Union, and the United States—to join a conference on the Middle East. Israel is not willing to accept Soviet participation unless that country resumes its diplomatic ties with Israel. There is concern that Israel is trying to avoid a peace conference with all five permanent Security Council members. And Israel continues to refuse to meet with representatives of the Palestine Liberation Organization. Baker has accepted this stand and encouraged talks between non-PLO Palestinians and Israel. Israel complained strongly against the principle of bartering land for peace. This concept, including Israel's withdrawal from the occupied territory, has gained approval by the United Nations. Israel's hardline stand is among the most serious obstacles to peace. Baker and the United States should recognize they cannot succeed if they try to sacrifice Palestinian interests in favor of Israel.

Syrian Foreign Minister Speaks

OW1204144491 Beijing XINHUA in English 1041 GMT 12 Apr 91

[Text] Damascus, April 12 (XINHUA)—Foreign Minister Faruq al-Shar' today reaffirmed Syria's commitment to seek a "just and comprehensive settlement to the Arab-Israeli conflict and the Palestinian problem."

Al-Shar' said the United Nations should play "a significant role" in Middle East peace talks aimed at achieving such a settlement.

The Syrian foreign minister made the remarks at a joint news conference with visiting U.S. Secretary of State James Baker.

"We have found Secretary Baker and the American Administration very determined" to pursue a Mideast peace settlement," Al-Shar' said. "That is what is important."

Baker said on his part: "We agree that there is a window of opportunity here to move the peace process forward and that we should try not to miss that window of opportunity."

Al-Shar' insisted that that Syria wants a "peace conference where the United Nations would have a significant role to play."

Baker, when asked about what form a conference or talks might take, replied: "Substance is important, not form."

"Names are not as important as whether there is truly a desire on the part of the parties to this conflict to seek true reconciliation," he added.

Al-Shar' made no mention of an Israeli proposal for peace talks Baker brought to Damascus after a visit to Israel.

The Israeli proposal calls for a regional conference to be followed by direct talks with the Arab states. The opposition allows participation by Palestinians but not PLO members in the regional conference.

"The Syrians indicated to us that there are many elements in the proposals which we discussed which they found positive," Baker said.

But, Baker admitted other points "where the two of us are not in agreement." He did not elaborate.

Baker, who met with Syrian President Hafiz al-Assad for six hours on Thursday, left for Geneva after the news conference, ending his four-nation Mideast tour that has also taken him to Turkey and Egypt.

Al-Shar' said Baker's talks with al-Assad were "satisfactory as far as we are concerned."

"It was agreed that all parties concerned should seek a comprehensive and just peace in the region based on United Nations resolutions 242 and 338 and that a peace conference should be held in order to implement these resolutions," al-Shar' said.

The resolutions urge Israel to withdraw from the Arab territories it occupied in the 1967 Middle East War, including Syria's Golan Heights.

RENMIN RIBAO Roundup

HK1504040491 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 15 Apr 91 p 6

[("Roundup" from Cairo by staff reporter Lin Jiaoming (2651 4109 2494); "Baker Visits Middle East Again"]

[Text] U.S. Secretary of State Baker made a second visit to the Middle East less than a month after his first trip. He met and discussed the resolution of the Arab-Israeli conflict with heads of state and foreign ministers of countries involved in Mideast affairs such as Turkey, Israel, Egypt, and Syria as well as with Palestinian representatives.

On 7 April, Baker said candidly while en route to the Middle East: This visit is being made because "we do not know how long this (peace in the Middle East) will last;" "if there is no breakthrough in the positive momentum building up in the Middle East," there is a "danger of another stalemate." U.S. press commentaries noted that Bush's dispatching Baker once again to the Middle East indicated the United States' keen desire "to obtain an initial result on security in the Middle East."

Baker's first trip to the Middle East did not result in any progress. His second trip did not bring about any breakthrough either, and even if limited progress were made, Baker himself was very cautious about it.

Reports said that while in Israel, Baker and Israel "agreed on principle" to "hold a Middle East peace conference" and to resolve Arab-Israeli conflict through a "dual-track policy." The United States and the Soviet

Union would sponsor the conference, and concerned Arab states and Palestinian representatives from the occupied territories would participate. How will the regional peace conference be conducted? Will it be simply a random meeting or will it be a conference with binding powers? How is the question of Palestinian representation to be resolved? At the moment, these questions have yet to be addressed by either Baker or Israel's Foreign Minister Levy.

The "ambiguous" progress that Baker has achieved in Israel has aroused speculation among the Arab states.

On the eve of his talks with Baker, Egypt's President Mubarak received a letter from Syrian President Asad and made an unexpected visit to Libya. Speaking before Baker's arrival, Egyptian Foreign Minister Abd-al-Majid indicated that Egypt still favored the holding of an international peace conference on the Middle East under the auspices of the United Nations, and that at the same time, it was still awaiting details about the regional peace conference. Even after his talks with Baker, Abd-al-Majid remarked that Egypt was prepared to discuss and support any proposals designed to achieve peace in the Middle East. Meanwhile, the PLO is opposed to the regional peace conference. So far, no Arab state has expressed explicit consent to the holding of a Mideast peace conference.

The Arab states have maintained their reservations regarding the "dual-track policy" being pursued by the United States and Israel, that is, the separation of the Arab-Israeli conflict from the Palestinian question. Recently, Egyptian commentaries have pointed out that compared with the international peace conference, the regional peace conference not only chooses a different path for the settlement of issues, but also has a different objective.

Baker's meeting once again with the Palestinian delegation from the occupied territories headed by Faisal Husseini [name as published] was regarded by some of the Arab press as a positive move. According to revelations, the delegation submitted a memorandum to Baker indicating that the PLO was the only legitimate representative of the Palestinian people and urged the United States to resume direct talks with the PLO.

President Bush announced not long ago that he still intended to visit the Middle East, but the visit would have to be decided by the progress made by Baker in the Middle East. How long will it take before some positive outcome results from Baker's Mideast diplomatic mission and exactly how long is his so-called "long road"—the answers to these questions remain unclear even after Baker's second visit to the Middle East.

XINHUA Notes Plan

*OW1304142391 Beijing XINHUA in English
1301 GMT 13 Apr 91*

[“Roundup: Baker Winds Up Mid-East Peace Quest With No Breakthrough (by Huang Yong)”—XINHUA headline]

[Text] Washington, April 12 (XINHUA)—U.S. Secretary of State James Baker returned here tonight from his five-day mission to the Middle East with certain signs of progress but apparently no breakthrough in search of a lasting peace for the region.

Baker's trip, which took him from Israel to Egypt and Syria and to meetings with Saudi Arabian and Jordanian foreign ministers in Cairo and Geneva, respectively, was primarily designed to explore possible solutions to the Israel-Arab conflict.

Baker was heartened by Israel's endorsement of a regional conference co-sponsored by the United States and the Soviet Union. It will later break into separate talks between Israel and Arab nations to end their belligerency and between Israelis and Palestinians on the fate of the Palestinian people.

Although Baker's Arab hosts found the regional conference concept “interesting” and did not reject it out of hand, they made it clear that the conference must ultimately fulfill the U.N. Resolutions 242 and 338 which call for an end to Israel's occupation of Arab land and for an independent Palestinian state.

Syrian Foreign Minister Faruq al-Shar' stressed that a peace conference should “be held in order to implement these U.N. resolutions” and “the United Nations would have significant role to play” in the proposed conference.

Egypt also presented Baker a five-point peace plan that calls for Israel's withdrawal from occupied territories and recognition of Palestinian rights.

Jordanian Foreign Minister Tahir al-Masri told Baker that his country would attend the conference only if it is based on the principle that Israel trades land for peace and if it has international support.

Israel has shown no intention of giving up the occupied Arab land and on the contrary, however, it has been speeding up new Jewish settlements there in defiance of objections from the United States as well as the Arab countries.

In assessing his talks with Israeli and Arab officials, Baker said that “the problems we are addressing are extremely difficult, they are intractable, they are of very long standing.”

He said “we have made some progress but there is still a lot that has to be done” in achieving any breakthrough on the Israeli-Arab conflict.

At the start of his trip, Baker was sent by a last-minute decision of President George Bush on an inspection tour of the Turkish-Iraqi border where were stranded hundreds of thousands of Iraqi Kurds who fled home after their insurrections against Saddam Husayn were crushed.

The Bush Administration has come under mounting criticism that it abandoned the Kurdish insurgents who were only to be overwhelmed by the government troops after they headed to U.S. call to overthrow Saddam Husayn.

After seeing swarms of hungry and sick refugees exposed to natural elements, Baker had to admit that the situation was “a tragedy that is almost beyond belief” and “simply cannot be permitted to continue.”

Baker is expected to report his mission to President Bush during the weekend or early next week. While the administration may be encouraged by the vague commitments by the Israelis and the Arabs to peace talks, the fundamental differences between the Israelis and the Arabs on the land-for-peace issue as well as the Iraqi refugee plight will certainly dash any hope for an early realization of a stabilized peace in the Middle East.

UK Official Views Post-War ‘Uncertainties’

*OW1404180991 Beijing XINHUA in English
1756 GMT 14 Apr 91*

[“Roundup: More Uncertainties After the Gulf War, Says British Strategist (by Xue Yongxing and Wang Shenliang)”—XINHUA headline]

[Text] London, April 14 (XINHUA)—The world still remains an unstable place as more uncertainties have emerged in the wake of the Gulf war, according to an authoritative British strategist.

In a recent interview with XINHUA, Sir James Eberly, former director of the Royal Institute of International Affairs, said: “We have to contrast the situation today just following the Gulf war with that a year ago.”

“There was a very strong feeling that with the ending of the cold war, a new era was emerging, a new era in which confrontation would be replaced by cooperation and the threat of war in Europe would be virtually eliminated.”

But since then, he said, “a great number of areas in the world has changed to produce rather many uncertainties about the future. One of the uncertainties is whether the war in the Gulf is typical of the sort of crisis which we can expect in the future world, or not.”

“There were many who would feel that the ending of confrontation between essentially the two superpowers might lead to confrontation on a regional basis. He said there was hardly anyone who was able to foresee that a Gulf crisis should come so quickly and assume such proportions in vehemence, gravity and magnitude. [quotation mark as received]

Eberly, 63, was a naval admiral and commander of the British fleet before becoming the director of the Royal Institute of International Affairs in 1984.

Asked to analyse why the U.S.-led multinational forces had won the Gulf war so quickly, the soldier-turned-academic said: "We have now to recognise at the moment that the one country which has, as it were, true military power is the United States. What is not entirely clear to me is whether the success in the Gulf was due totally to military power... or we had overestimated the potentiality of (Iraqi President) Saddam Husayn and his forces."

He warned against jumping into conclusions. "It is better that we should wait for a little bit more detailed analysis before we jump to many conclusions," he added.

Eberly said that he had feared that the Gulf would have turned into "a political quagmire" for the United States and the anti-Iraqi allies if they did not win the ground war in so short a time.

Comparing with Vietnam, he insisted that Vietnam was "a military quagmire". "My fear was that the Gulf war would become a political quagmire," he recalled.

"If the Soviet Union had pushed for an early cease-fire resolution in the (United Nations) Security Council... if the resolution was vetoed by the Americans. That veto would put great strains on the alliance. How that would have played in terms of military operations it would be difficult to say. But in that sense it was a close-run thing," he said.

"We are now beginning to see the aftermath of those political difficulties in the civil war now being conducted in Iraq," he added.

"It is always very much easier to start a war than it is to finish one. That is perhaps one of the lessons sometimes we again have to learn," he said philosophically.

Turning to the Middle East, Eberly said: "I am afraid that we must look at the Middle East which continues to be unstable."

He said that for understandable reasons, attention was being drawn to trying to get some kind of settlement in the Gulf region. But this not only involves the question of the settlement of the Iraqi-Kuwaiti dispute but also a settlement of all progress towards the settlement of the Palestinian-Israeli issues.

"I am myself not very optimistic that a great deal of progress will be made," he said.

Eberly stressed that the implications of the Gulf war are that regional security structure in the Middle East must be built by Arabs and the countries in the region themselves and cannot be imposed from outside. "Maybe that can be assisted from the outside. But fundamentally, the basis of that new security order must be from within the region," he added.

Eberly, who had just come back from a trip to the United States, Germany and Japan after the Gulf war, then went on to talk about the fashionable topic of building a new world order after the Gulf war.

"I do believe we have the opportunity to move towards a new world order. Not too many people have defined by what they mean by that and if you ask them to do that then you get many varied answers," he said.

Nevertheless, Eberly said that he saw "two extreme routes" in seeking this new world order. "There is one route that would see the United States which has shown itself really to be the only military superpower now in the world."

"The other course is that we should be looking to the United Nations in a multilateral sense with the leadership certainly of the United States, also the Soviet Union, and the other three members of the permanent Security Council—China, France and Britain," he said.

"We should be looking to the United Nations itself not only to act as a forum for political discussion on matters of security but the United Nations should act... in terms of the enforcement of the international security."

He pointed out: "Now it seems to me both routes have their problems and we may actually be seeking to find a solution which lies somewhere between these two."

As regards the United States to act as the world police after the Gulf war, Eberly said: "I do not find it particularly attractive for a number of reasons.

"The first reason is that we cannot be sure in the future that Americans want to play that role. The moment with the Gulf success of the operation very fresh, having achieved success with so few casualties, they are happy to continue to play the role. But had the war gone another way, had there been heavy casualties, would the Americans have any wish to remain as it were the agent of the international community or the guarantor of the last resort of military, or sheriff, very much." [as received]

"Furthermore," he added. "I think there are many countries in the world would not wish to see the Americans as the world leading military power, being the world militarily dominant superpower. They would see this as being profoundly destabilizing, profoundly contradictory to their own interest."

"Many of the Third World countries I think would see this as a development which they will not welcome," he added.

Future of U.S.-Europe Postwar Cooperation Eyed

HK1504043791 Hong Kong TA KUNG PAO in Chinese
15 Apr 91 p 2

["Political talk" column by Shih Chun-yu (2457 0689 3768): "U.S.-European Relations Under the "New Order""]

[Text] The Gulf war still has repercussions in the world. Of course, in the Gulf region, a number of questions left

over and deriving from the Gulf war remain unsolved. On both sides of the Atlantic Ocean, which is far from the Gulf, the question of West Europe's defense, which has surfaced in the wake of the Gulf crisis, has also given rise to new deliberations and disputes.

Bush and Cheney Give Their Speeches

Two days ago [13 April], U.S. President Bush and Defense Secretary Cheney talked on the question of European defense in Alabama and Washington respectively, and their speeches pointed to specific matters. Bush's speech was the first of a series of speeches on foreign policy. These speeches will depict more systematically what his so-called "world new order" really is. Before that, he had not given any clear definition of the new order.

Bush's and Cheney's speeches on U.S.-European relations contain the following major aspects: First, the United States should maintain a powerful military strength in Europe. Second, Europe should shoulder greater obligations for world security and stability and play a part outside Europe. Third, NATO will still be the major force keeping Europe stable.

The same day, the NATO Military Committee held an important meeting to sum up the experiences and lessons of NATO allies during handling of the Gulf crisis. It stressed that one of NATO's key military strategic points in the future is to enhance its ability to cope with contingent crises within the NATO defense region, maximize the mobility and flexibility of NATO's military capability, and stress the development of quick-response units.

Enhance NATO's Role

The quick-response units proposed by the NATO Military Committee are to continue to carry out activities within the NATO sphere. However, the United States urged Europe to play a military role outside its borders, that is, outside the NATO sphere. Owing to limitations of the NATO constitution, NATO did not succeed in making a cooperative reaction to the Gulf crisis or exceeding its limited activities, causing disappointment in the United States. Judging by Bush's speech, he appeared to encourage Europe to enhance its influence, but in fact he used the opportunity to enhance NATO's role.

The Gulf war gave the United States a lesson, namely that it could not act independently in big military crises. NATO plays a more important role, because it can ensure the United States' leading role in Europe on the one hand and strengthen its influence in leading the "new world order."

Western Europe holds a different view, which is mainly reflected by EC President Delors' remarks reviewing the Gulf war: "Only by establishing its own defense organizations can the EC play an important role in the international arena." Britain, which has always been against establishing an independent European defense system outside the United States, also has a new idea. Foreign Minister Hurd

admitted: "If Europe does not have its own measures for security and defense, it will be incomplete."

A new conception is that a West European military alliance be included in the EC and that its own quick-response, mobile multinational troops be established, which are to be outside NATO.

In response, the United States has said that it does not hope to see the emergence of other European groups within NATO.

The Dilemma of Both Sides

In fact, the United States and Western Europe are in a dilemma on this question. The United States does not hope to see Europe's independence in defense, while it hopes Europe will shoulder more military obligations to make up for its shortcomings. Although the Gulf crisis shows that powerful military capability is still indispensable, under financial pressure, the United States cannot but continue to reduce its armaments, thus feeling more inadequate for the use of troops abroad. Europe is also inadequate financially. Where can they obtain the money to finance the buildup of sufficiently powerful independent armaments? Therefore, the United States still remains a necessary backer.

The old world pattern has been shattered, and the new one is being formed. Numerous variables are developing in the world, especially in Europe, which is having the biggest change. It is not yet certain as to how Western Europe and the United States will adapt to the new situation on the question of defense.

Committee Formed To Sponsor 2000 Olympics

Committee List Noted

*OW1104183591 Beijing XINHUA Domestic Service
in Chinese 1418 GMT 11 Apr 91*

[“Namelist of Leaders of the Beijing Committee for the Application of Sponsoring the Olympic Games in 2000”—XINHUA headline]

[Text] Beijing, 11 Apr (XINHUA)—The Beijing Committee for the Application of Sponsoring the Olympic Games in 2000 was officially formed today. Names of the committee leaders are as follows:

Chairman: Chen Xitong

Executive Chairman: Wu Shaozu

Executive Vice Chairmen: He Zhenliang, Zhang Baifa

Secretary Generals: Wan Siqian [8001 0843 6898], Wei Jizong

Spokesmen: Wu Zhongyuan, Ding Weijun [0002 4580 1498]

News Conference Held

OW1104183191 Beijing XINHUA Domestic Service
in Chinese 1416 GMT 11 Apr 91

[“Beijing Committee for the Application of Hosting the 2000 Olympic Games Holds First News Briefing by reporter Li Hepu 2621 6320 5423”—XINHUA headline]

[Text] Beijing, 11 April (XINHUA)—The Beijing Committee for the Application of Hosting the 2000 Olympic Games has been officially formed. Chen Xitong, chairman of the committee; Wu Shaozu, executive chairman of the committee; and He Zhenliang and Zhang Baifa, executive vice chairmen of the committee, answered questions raised by Chinese and foreign reporters at a news briefing today.

Beijing's application for hosting the Olympic Games in 2000 has the approval of the Chinese Olympic Games Committee and the support of the Chinese Government. Chen Xitong said today that Beijing would submit the application to the International Olympic Committee [IOC] at an appropriate time and will make preparations strictly in accordance with the Olympic Charter, striving for the hosting of the Olympic Games in Beijing in 2000. He said that the success of the 11th Asian Games in Beijing last year proves that China has the resources and is fully capable of hosting large international sports meets, and that China has laid the foundation for holding the Olympic Games.

According to Executive Chairman Wu Shaozu, the committee will draw up its plan for hosting the games as quickly as possible in accordance with the Olympic Charter and requirements of relevant international sports organizations. As far as sports facilities are concerned, the Beijing committee will, in addition to reconstructing some parts of the existing stadiums and gymsnasiums* built a new stadium that can accommodate 100,000 spectators, an indoor velodrome, riding rings, a pool for water sports, a large multi-purpose gymnasium, and an Olympic village for athletes. Airports and railway terminals will also be built or expanded.

A reporter from Hong Kong's “SOUTH CHINA MORNING POST” asked: What is China's strongest argument in its bid to host the 2000 Olympic Games? Executive Vice Chairman He Zhenliang replied: Several other cities will apply to host the 2000 Olympic Games. Of the 13 Olympic Games that have been held or scheduled after the World War II, six were in Europe, four in America, two in Asia, and one in Australia; only two have taken place in developing countries. The IOC should give as much consideration as possible to letting developing countries have the opportunity to host the Olympic Games. If the IOC decides in its final vote that the 2000 Olympic Games will take place in China, the world's most populous country, the decision would have an enormous impetus on propagation of Olympic ideals.

He Zhenliang also mentioned the impact of the Beijing Asian Games. He said: In a telegram to him in 1989, IOC

President Samaranch clearly indicated his concern and support for the 11th Asian Games. When the games took place in Beijing, 67 of the 92 IOC members, including President Samaranch, and the presidents of 19 international individual sports organizations attended the opening ceremony. China's political and economic stability, as well as its strong organizational capability, deeply impressed the leaders of international sports circles.

A reporter from Taiwan's “LIEN HO PAO” asked: Does the Beijing Committee expect support, including financial support, from the Taipei Olympic Committee? He Zhenliang answered: The holding of Olympic Games in Beijing is the common wish of all the Chinese people, including countrymen in Hong Kong, Macao, and Taiwan and Chinese people living overseas. The way in which people in Taiwan and the Taipei Olympic Committee might support the Beijing committee is a matter they will determine for themselves.

A REUTER reporter asked: Will Beijing treat reporters covering the Olympic Games the same way as it did during the Asian Games, or will it treat them differently? Chen Xitong replied: The Asian Games in Beijing was a success. Foreign friends have said a lot of good things about them. But when we examined what we did, we must say that it was not perfect. It was not entirely problem free. If Beijing is picked to host the Olympic Games, we will make every effort to improve accommodations for reporters and do all we can to satisfy reporters' needs.

An Indian reporter asked: Has the 11th Asian Games issued its final accounts? What were the revenues and expenditures? Vice Executive Chairman Zhang Baifa answered: The Asian Games Committee budgeted 2.5 billion yuan for the Asian Games, including 2.18 billion yuan for various construction and 330 million yuan for holding the games. The initial figures of the financial accounts show that we saved 300 million yuan. We spent \$460 million for the successful Asian Games.

Nearly 200 Chinese and foreign reporters attended today's news briefing.

Israeli Premier Seeks ‘Full-Fledged’ USSR Ties

OW1504010591 Beijing XINHUA in English
2356 GMT 14 Apr 91

[Text] Cairo, April 14 (XINHUA)—Israeli Prime Minister Yitzhak Shamir said today that he will ask the Soviet Union for full-fledged diplomatic relations with Israel as a condition for a Soviet role in the Middle East peace talks.

Shamir made the remarks before leaving for London where he will meet with his Soviet counterpart Valentin S. Pavlov for the first time.

Israel has “conditioned Soviet participation or sponsorship of a regional meeting between Israel and the Arab

world on a full normalization of diplomatic ties," reports reaching here quoted Shamir as saying.

"We will certainly discuss this, we have to explain our position on this matter," said Shamir.

The Soviet Union broke ties with Israel during the 1967 Middle East war. Israel seized the Gaza Strip from Egypt, Golan Heights from Syria and the West Bank and East Jerusalem from Jordan in that war.

Soviet-Israeli ties have warmed since 1986 when the two countries exchanged consular delegations.

Shamir's remarks came after U.S. Secretary of State James Baker wound up a Middle East tour during which he proposed a regional conference with a possible role for the Soviet Union.

Shamir said he was hearing "positive things and less positive things" about Baker's talks with Arab leaders on peace moves and that Baker's intensification of Middle East diplomacy "proves that there is something in it, something to talk about."

Shamir said he has not received a full report on Baker's talks with Egyptian, Syrian, Saudi and Jordanian officials during his tour last week.

Baker is expected back in the Middle East in about two weeks. Shamir said he had the impression that the U.S. leader felt there are possibilities "and the need not to relax what is called momentum."

United States & Canada

Concern Over MFN Trade Status Continues

*OW1304185791 Beijing International Service
in Mandarin 0900 GMT 13 Apr 91*

[Text] Listeners and friends: The question about whether the United States will terminate most-favored-nation [MFN] status for China has again become a hot topic of discussion among people in Hong Kong's economic and trade circles. Reasons for their concern are two: On the one hand, U.S. MFN status for China will expire in July this year; on the other hand, some U.S. congressmen have proposed that MFN status for China should be revoked on grounds that U.S. suffers from the excessively large trade deficits with China.

Premier Li Peng, commenting on Sino-U.S. trade in his recent report to the National People's Congress [NPC], indicated that China would not want to see any unilateral action by the United States to revoke MFN status for China.

Answering a reporter's question at recent news conference, Li Lanqing, Chinese minister of foreign economic relations and trade, also indicated that if the United States revokes MFN status for China or conditionally withdraws it, bilateral Sino-U.S. relations would certainly be seriously harmed [shi be yan zhong de sun xiang

shuang bian de guan xi 0528 1801 0917 6850 4104 2275 0281 7175 6708 4104 7070 4762]. This shows the great concern and the clear-cut stand of Chinese leaders and relevant authorities on this issue. In fact, if the United States revokes MFN status for China, the revocation would have considerably adverse effects on the economies of the United States, China, and Hong Kong. In other words, revocation would benefit no one.

From an economic and global viewpoint, Zhang Zhenzong, chairman of the U.S. Chamber of Commerce in Hong Kong, has made a detailed assessment of the adverse effects that revocation of MFN status would have on the economies of Hong Kong, the United States, and China.

On adverse effects for Hong Kong's economy, Zhang pointed out: Hong Kong transships large quantities of goods traded between China and the United States. In 1989, for example, China exported \$8.5 billion worth of goods to the United States through Hong Kong. That was 12 percent of the total amount of transshipped goods Hong Kong handled that year. Thus, if China were to lose MFN status, the loss would be a telling blow to Hong Kong's economy. Hong Kong will lose at least \$5 billion from fewer import-export contracts. The loss might be as high as \$8 billion or even \$9 billion. It would cause a chain reaction and affect all trade in Hong Kong, for example in banking, insurance, and shipping. Moreover, at least 20,000 workers would lose their jobs. U.S. companies in Hong Kong and U.S. companies with joint ventures in China would have to scale back or pull out of Hong Kong altogether.

As for impact on the United States, Zhang Zhenzhong pointed out: The market, now totalling \$12 billion will shrink. This would be very detrimental to the interests of exporters, consumers, and investors. The prices of Chinese goods imported by the United States would rise by an average 40 percent, and these rises in import prices would jack up retail prices, thus adversely affecting American consumers. China now purchases approximately \$6 billion worth of wheat, airplanes, chemical goods, timber, and other goods from the United States annually. The loss of this market would mean that some American airplane manufacturers, farmers, and high-technology personnel would lose their jobs. Furthermore, China certainly would readjust its tariffs, and prices of American goods sold in China would rise an average of 10-20 percent. This alone would reduce sales of American goods by \$1.5-2 billion.

As for the impact on China, Zhang Zhenzhong pointed out: The revocation of MFN status for China would compel China to stop buying goods from U.S. firms. Since most Chinese areas engaged in foreign trades are located on the coast, this revocation would have a serious impact on coastal areas' economic reforms and seriously weaken Guangdong's economy.

Zhu Youlan, chairman of the China Resources (Holdings) Company in Hong Kong, recently pointed out: If

the United States revokes MFN status for China, the economies of China, Hong Kong, and the United States would suffer. As for the trade deficit between China and the United States, Zhu Youlan pointed out that method used by the United States to calculate the deficit is debatable. The United States includes in its figures some goods which China exports to Hong Kong and then re-exports to the United States via Hong Kong.

Former U.S. President Carter's Visit Reported

Meets Qian Qichen

OW1304155191 Beijing XINHUA in English
1538 GMT 13 Apr 91

[Text] Beijing, April 13 (XINHUA)—State Councillor and Foreign Minister Qian Qichen met former U.S. President Jimmy Carter and his wife Rosalynn Carter here this evening.

Qian expressed his warm welcome to the Carters, who arrived here this afternoon for a two-day visit at the invitation of the Chinese Government. This marks the third time the Carters have visited China.

Qian said, "you are an American statesman and the normalization of Sino-American relations was completed when you were the president of the United States."

He said, "as a Republican, President Richard Nixon opened the door to Sino-U.S. relations. You, however, as a Democrat, decided to establish diplomatic relations with China."

He said, "both the Democratic Party and Republican Party were then identical in their policies towards China, and we hope that their policies will continue."

Qian Qichen pointed out that it has been 11 years since China and the United States established diplomatic relations, adding that great changes have taken place in China during this period as a result of economic reforms and opening to the outside world.

He noted that the social system, cultural tradition and ideology of China and the United States are different, but these differences did not prevent the two countries from pursuing relations in 1972 and establishing diplomatic relations in 1979.

He said that shows that Sino-U.S. relations can develop regardless of the differences that exist between their social systems and ideology.

He said that the understanding between China and the United States and between the peoples of the two countries is now much more profound than it was in 1972 when former U.S. President Nixon first visited China.

During the meeting, the former president reviewed his contacts and diplomatic exchanges with the Chinese leaders during his tenure, and the progress of the Sino-U.S. relations since 1979.

Both the host and the guests exchanged views on current Sino-U.S. relations and international issues of common concern.

After the meeting, Qian hosted a dinner for the Carters and their party.

Vice Foreign Minister Liu Huaqiu was present at the meeting and the dinner.

Sees Li Tieying

OW1404021491 Beijing XINHUA in English
0149 GMT 14 Apr 91

[Text] Beijing, April 14 (XINHUA)—State Councillor and Minister in Charge of the State Education Commission Li Tieying met former U.S. President Jimmy Carter here this morning.

According to the Chinese official present at the meeting, Li and Carter exchanged views on exchange student programs between China and the United States.

Li expressed his thanks to Carter for his interest in and support to China's effort to improve the welfare of the disabled and his cooperation with Chinese departments concerned in special education.

Li also briefed Carter on China's policies for sending students to study abroad and China's achievements in educational exchanges with foreign countries.

Carter said that he will continue his effort to promote educational exchanges and cooperation between the United States and China.

Meets Tian Jiyun

OW1404122691 Beijing XINHUA in English
1211 GMT 14 apr 91

[Text] Beijing, April 14 (XINHUA)—Jimmy Carter, former president of the United States and chairman of the Global 2000, Inc., and Mrs. Rosalynn Carter attended the ceremony for launching a modern prosthesis production line in a local prosthesis factory here today.

Also present at the ceremony were Tian Jiyun, vice-premier; Cui Naifu, minister of civil affairs; Ahmad Bin Sa'id al-Badi, minister of health of the United Arab Emirates, and Deng Pufang, chairman of the Chinese Association for the Handicapped.

The production line was built with an aid of \$1.5 million contributed by the Global 2000, Inc. and the Bank of Credit and Commerce International (BCCI). The United Arab Emirates has also been involved in the project.

Speaking at the ceremony, Cui Naifu described the production line as a symbol of friendship between the peoples of China and the United States, saying that it would enhance the quality of prosthesis products manufactured in China.

Deng Pufang said that the line is a good example of international cooperation. The project will make lighter prostheses of better quality available to more disabled people, who can then more equally and fully participate in social activities, he added.

Carter also expressed the hope that many more such production lines will be established in China for the sake of the disabled. He gave a speech at the institute of diplomacy here this afternoon. Yesterday afternoon the Carters visited a school for deaf-mutes.

Carter and his wife arrived in Beijing April 13 as guests of the Chinese Government.

Talks With Jiang Zemin

OW1404131891 Beijing Central Television Program One Network in Mandarin 1000 GMT 14 Apr 91

[From the "National News 'Hookup'" program]

[Text] Jiang Zemin, General Secretary of the CPC Central Committee, met with former U.S. President Jimmy Carter and his party at Zhongnanhai this afternoon.

On the human rights issue, Jiang Zemin said: The Chinese party and Government are greatly concerned about human rights. To China, the most important human right is the right to survive. In old China, the people lived in misery and had no survival right at all. The lyrics of our graduation song in those years contained such words as the people's complaints can be heard everywhere, and the land of the country is lost bit by bit, year by year. Those words can best describe the situation in old China. Today, I am proud to say that we have solved the food and clothing problem for the 1.1 billion people. This is an unique achievement in the world. Comparing New China with old China, the progress made is tremendous.

He said: To China, the second most important matter is development. To build up and modernize China is the aspiration of every Chinese person.

On Sino-U.S. relations, Jiang Zemin pointed out: The two countries have developed their relations since 1972 because they share common interests. Today, we have no reason not to gradually restore and develop the Sino-U.S. relations. Although China and the United States are different in social system and values, the two countries should increase contacts and enhance understanding of each other.

Concerning Chinese students studying abroad, Jiang Zemin said: Chinese students studying abroad are patriotic. Some 2,000 Chinese students have completed their studies abroad and returned home to work since last year. During the period, some 3,000 students returned home to visit relatives or vacation and then went abroad again. I believe that more than 99.9 percent of the Chinese students studying in the United States and the

visiting Chinese scholars there are longing for their motherland. Their return will surely be welcome.

Views Human Rights With Li Peng

CM1404142691 Beijing XINHUA Domestic Service in Chinese 1424 GMT 14 April 91

[Text] Beijing, April 14 (XINHUA)—Premier Li Peng said here this evening human rights to a nation are, first of all, people's right to live and the country's right of remain independent.

Without the guarantee of these two basic conditions, he said, there will be no human rights.

Li made the remark at a meeting with former U.S. President Jimmy Carter and Mrs. Carter.

According to a Chinese official present at the meeting, the two sides exchanged views on international situation and bilateral relations.

Li said China and the United States have similar size of territories, but their conditions are different. China's farmland accounts for only one-eighth of its territory and its population increases by 16 million yearly.

He said population pressure is the most severe problem China is facing.

"As the Chinese premier," Li said, "I am concerned with the issue that our 1.1 billion people have enough food and clothing."

Carter briefed Li on the activities of the Jimmy Carter Center and the cooperation between the center and China.

He said there are serious human right problems in the United States, citing homeless and jobless people and 50,000 such people in New York alone.

Li Peng expressed appreciation for the progress of the cooperation between the Jimmy Carter Center and China in developing services for the handicapped.

Li mentioned the establishment of diplomatic relations between China and the United States during the Carter Administration. "This is your important contribution," Li told his guest.

On the Gulf situation, Li said although the war has ended, peace and stability are still far away in the Gulf region and the Middle East.

He said China opposed Iraqi invasion of Kuwait from the very beginning and is gratified at the restoration of Kuwait's sovereignty.

He said: "The emir of Kuwait led all the members of his cabinet to visit China when he was in the most difficult situation, and I accorded him a warm welcome on behalf of the Chinese Government and people."

After the meeting, Li Peng hosted a dinner in honor of Mr. and Mrs. Carter.

Zhu Lin, wife of Li Peng; and Qian Qichen, state councillor and minister of foreign affairs, were present at the meeting and the dinner.

Reassured on Students' Plight

HK1504061691 Hong Kong AFP in English 0546 GMT
15 Apr 91

[Text] Beijing, April 15 (AFP)—Premier Li Peng has guaranteed that Chinese studying in the United States may return home without fear of arrest or detention, former U.S. President Jimmy Carter said here Monday.

The 50,000 Chinese students were "guaranteed the right to return to the States or to come here without danger of being arrested or harassed," he told reporters before leaving after a three-day private visit.

Mr. Carter said he had "extensive talks" with Mr. Li and Communist Party general secretary Jiang Zemin on Sunday and expressed concerns over human rights in China.

About 50,000 Chinese students and scholars have been in the United States since the June 1989 crackdown on the democracy movement at home. Many of them fear persecution if they return for anti-government activities abroad.

"I just want to put this incident behind us," the former president said.

He pledged to hold Mr. Li accountable for any violations of his promise.

Mr. Carter said he had called on Chinese leaders to grant a general amnesty to non-violent dissidents, including those involved in the 1989 demonstrations and others persecuted for their political or religious beliefs.

He said he had been denied meetings with retired senior leader Deng Xiaoping and with Zhao Ziyang, who was sacked as Communist Party general secretary in 1989 for sympathizing with the democracy movement.

Mr. Carter quoted officials as saying that Mr. Zhao—who has not been seen in public since his dismissal—was not under house arrest and was free to move about.

The former president said he had sent a letter to Mr. Deng, who has rarely met foreign dignitaries since his official retirement last year. Mr. Carter met Mr. Deng when as president he negotiated the normalization of Sino-U.S. relations in 1979.

He expressed guarded optimism at reform in China, acknowledging that leaders here were "discouraged by the eruption of chaos in the Soviet Union" after reforms there.

"Along with economic reform (in China) and the institution of free enterprise principles, almost inherently and unavoidably there is an element of social reform," he said.

"From my own knowledge of recent Chinese history... they would take a couple of steps forward and maybe a step backward," Mr. Carter said.

He said the maintenance of order and the prevention of chaos was the "main item" for the government of a country as large as China, but added that leaders here "overreacted" in suppressing the 1989 protests with military force.

Mr. Carter was accompanied here by his wife, Rosalynn, and dedicated a \$1.5 million artificial limb factory that received funds from the Carter Center's Global 2000 program.

He last visited China in June 1987.

Soviet Union

Maslyukov Leads Soviet Group to Tianjin

SK1004045291 Tianjin TIANJIN RIBAO in Chinese
15 Mar 91 p 1

[By Wang Hong (3769 1347); "Soviet Government Delegation Visits Tianjin"]

[Text] The Soviet Government delegation led by Soviet Deputy Prime Minister Maslyukov came to our municipality for a visit on 14 March. At noon on that day, Municipal Mayor Nie Bichu cordially met and held a friendly talk with the Soviet Government delegation.

The Soviet Government delegation was accompanied to Tianjin by Gu Yongjiang, Chinese vice minister of foreign economic relations and trade. Members of the delegation included Maslyukov and his wife; Kondrashov, first deputy minister of trade; (Pervyshin), assistant to the Soviet deputy prime minister; and Soviet Ambassador to China Solovyev and his wife. The delegation visited the Tianjin Economic and Technological Development Zone in the morning.

During the meeting, Municipal Mayor Nie Bichu extended a warm welcome to the Soviet Government delegation on behalf of the municipal government and more than 8 million people of the municipality. After giving a brief introduction of Tianjin's reform and opening up, he said that the economic and technological cooperation between Tianjin and the Soviet Union had achieved rapid development in the past two years, and prospects are bright for the future. He wished the delegation a pleasant and successful visit in Tianjin, and asked it to convey Tianjin people's friendship and best wishes to the Soviet people. Deputy Prime Minister Maslyukov expressed gratitude for the hospitality of the Tianjin Municipal Government and the people of Tianjin. He reviewed the past two years' development of friendly relations between the Soviet Union and China, and pledged to exert utmost efforts to support the economic cooperation between the Soviet Union and Tianjin, and continuously develop the friendly relations between the peoples of the two countries.

Zhang Zhaoruo, vice mayor of the municipality, and Zhang Shiyong, chairman of the municipal Foreign Economic Relations and Trade Commission, were present at the meeting.

The Soviet Government delegation left Tianjin for Beijing that afternoon.

Soviet Premier Admits Decline in National Income

*OW1204135291 Beijing XINHUA in English
1127 GMT 12 Apr 91*

[Text] Moscow, April 12 (XINHUA)—The national income of the Soviet Union in the first quarter of this year declined by 10 percent, the official Soviet newspaper PRAVDA today quoted Premier Valentin Pavlov as saying.

Speaking at conference of the Council of the General Confederation of the USSR Trade Unions Thursday, Pavlov said that deficits of both the Union and its member republics have increased on account of reduced income.

He said this year's steel production will be reduced by five million tons as five coke ovens and 20 blast furnaces have stopped working because coal miners' strikes have caused shortages of raw materials for them.

Meanwhile, he added, the strikes will also affect indirectly this year's spring sowing and result in poor crops.

In view of the workers' demands across the country for higher wages, Pavlov said that his Government supports the claim, but the prerequisite is higher production. Otherwise, he noted, the already very high budget deficit will certainly go up further and the amount of the currency in circulation will be increased.

Northeast Asia

Defense Ministry Delegation Visits Pyongyang

*OW1104191091 Beijing XINHUA in English
1851 GMT 11 Apr 91*

[Text] Pyongyang, April 11 (XINHUA)—General Choe Kwang, Politburo member of the Workers' Party of Korea met with members of a Chinese delegation here today.

The Chinese delegation of Defense Ministry Foreign Affairs Bureau, led by Deputy Bureau chief Lo Bin, arrived in Pyongyang on April 8.

Choe, who is also chief of the general staff of Korean People's Army, had a cordial and friendly talk with Chinese guests.

After the meeting, General Choe gave a dinner in honor of the Chinese delegation.

The Chinese ambassador was present on both occasions.

DPRK Decries South's Threat to Reactor Sites

*OW1504073091 Beijing XINHUA in English
0646 GMT 15 Apr 91*

[Text] Pyongyang, April 15 (XINHUA)—Korea's Committee for the Peaceful Reunification of the Fatherland (CPRF) denounced South Korea on Sunday for its threat to attack "atomic reactor facilities" in the North.

According to the local press, South Korean Defense Minister Yi Chong-ku said last week that South Korea would throw commandos into the Democratic People's Republic of Korea (DPRK) to destroy the "atomic reactor facilities there."

CPRF's statement said Yi's "bellicose words" had caused "deep apprehension" among all peace-loving people in the world.

Yi's remarks were "a most blatant declaration on giving up dialogue and negating peaceful reunification," the statement said. It added that they were "virtually a declaration of war against us."

The statement called on all governments, political parties and social communities to pay attention to South Korea's attempt to stir up a war, and to continue their support to the cause of Korea's peace and reunification.

It urged South Korea to immediately end its anti-peace, anti-security actions.

DPRK President Meets Cambodian Counterpart

*OW1204194691 Beijing XINHUA in English
1927 GMT 12 Apr 91*

[Text] Pyongyang, April 12 (XINHUA)—Kim Il-song, president of Democratic People's Republic of Korea (DPRK), today met with visiting Cambodian President Samdech Norodom Sihanouk.

KOREAN CENTRAL NEWS AGENCY reported that Sihanouk warmly congratulated the DPRK president on his 79th birthday during their friendly talks.

The meeting was also attended by DPRK Vice President Yi Chong-ok, Vice Premier Kim Pok-sin, Vice Premier and Minister of Culture and Art Chang Chol and members of Cambodian delegation as well as Cambodian Ambassador to DPRK, Son Chhum.

After the meeting, the two leaders watched the feature film "Good-By, Beloved Cambodia" shot by Prince Sihanouk himself.

Sihanouk and his wife arrived here on Thursday.

Southeast Asia & Pacific

Papua New Guinea Premier Continues Visit

Meets With Jiang Zemin

OW1204173091 Beijing XINHUA in English
1543 GMT 12 Apr 91

[Text] Beijing, April 12 (XINHUA)—Jiang Zemin, general secretary of the Central Committee of the Chinese Communist Party, met Rabbie Namaliu, prime minister of the Independent State of Papua New Guinea, and his party here today.

Jiang expressed his satisfaction with the development of Sino-Papua New Guinean relations.

He said that there has been a long history of friendship between the two countries.

Namaliu said that his current visit to China has been fruitful and a complete success.

According to a Chinese official present at the meeting, Jiang stated that as a country in the Asian-Pacific region, China supports the southern Pacific nations' efforts to defend their sovereignty and territorial integrity, their positive stand for enhancing regional cooperation and developing the regional economy, their rational demand for establishing a nuclear-free zone in the South Pacific, their efforts to protect the region's fishing resources and ecological balance, and their desire to expand friendly relations of cooperation with other countries based on their own interests.

Referring to the question of experience in national construction, Jiang said that different countries have different conditions, adding that it is impossible for them to follow a unified formula of development.

He said that all countries should decide on their own course of development in the light of their specific national conditions.

Jiang told Namaliu that President Yang Shangkun cancelled his scheduled meeting with the prime minister at the request of his doctor. President Yang has caught a cold as a result of the recent abrupt temperature changes. President Yang asked Jiang to convey his best regards to Namaliu on his behalf.

Jiang said that Papua New Guinea is a beautiful and vigorous country which has great potential for development.

He wished Papua New Guinea still greater achievements in its national development.

Namaliu said during the meeting that he was satisfied with the growth of relations between Papua New Guinea and China.

The prime minister said that since China and Papua New Guinea established diplomatic relations in 1976, the relations between the two countries have greatly

progressed, adding that the leaders of the two countries have exchanged visits from time to time. Bilateral trade and economic cooperation are also improving, he said.

Prime Minister Namaliu reiterated that Papua New Guinea adheres to its One-China policy.

Li Peng at Accord Signing

OW1204174791 Beijing XINHUA in English
1544 GMT 12 Apr 91

[Text] Beijing, April 12 (XINHUA)—The agreements on economic and technological cooperation and on the promotion and protection of investment between the Governments of the People's Republic of China and the Independent State of Papua New Guinea were signed here today.

Chinese Premier Li Peng and Papua New Guinean Prime Minister Rabbie Namaliu were present at the signing ceremony.

Li Lanqing, Chinese minister of foreign economic relations and trade, and Utula Samana, Papua New Guinean minister for education, signed the two agreements on behalf of their respective governments.

Namaliu News Conference

OW1204175191 Beijing XINHUA in English
1606 GMT 12 Apr 91

[Text] Beijing, April 12 (XINHUA)—"My visit to China has been very fruitful and successful," said Rabbie Namaliu, prime minister of Papua New Guinea (PNG) at a news conference here today.

"I am satisfied with my discussions with Chinese Premier Li Peng and other Chinese leaders," Namaliu stressed, adding that the discussions were held in a friendly, warm and constructive atmosphere.

Namaliu told the press that the discussions covered a wide range of international, regional and bilateral issues of common interest.

He said, "during the discussions, I reaffirmed my government and my country's position on the 'One China' policy committed under the communique signed by the two countries in 1976."

"I emphasized that PNG's dealing with Taiwan remains purely economical in nature, covering areas of trade and investment," he said, adding that his country recognizes the People's Republic of China as the sole legitimate authority to represent the people of China.

He said, "we also support China's membership in the South Pacific Post-Forum Dialogue Partners meeting arrangements."

The prime minister said he acknowledged that the People's Republic of China's influential role, especially in the United Nations, regarding international and regional issues including the recent Gulf war, Cambodia and a

new international order, is aimed especially at enhancing the development of Third World countries.

In this regard, Papua New Guinea is committed to cooperate with China and learn and benefit from China's experience in maintaining peace and stability in the Asian-Pacific region and the world as a whole, he said.

Namaliu expressed his gratitude to the Chinese Government and people for the third \$10 million interest-free loan agreement, which was signed between the two countries in a ceremony here today.

Namaliu told the press that the loan will be used for the procurement of equipment and supplies for Chinese sponsored development projects and technical cooperation.

The investment promotion and protection agreement, also signed here today, helps both countries explore opportunities to enhance trade and investment in primary and secondary produce, including coffee, cocoa, fisheries, copper concentrates and textiles, he said.

Namaliu said that he was pleased that Li Peng accepted his invitation to visit his country in the near future and dispatch a high-level Chinese delegation to attend the coming South Pacific Games to be held in Port Moresby in September this year.

Welcomes Joint Ventures

*OW1304095991 Beijing XINHUA in English
0925 GMT 13 apr 91*

[Text] Beijing, April 13 (XINHUA)—Papua New Guinea (PNG) welcomes China to establish joint ventures in PNG and cooperate with state-run and private enterprises there.

PNG Prime Minister Rabbie Namaliu made the remark here today at a meeting with people from the Chinese commercial and industrial circles.

At the meeting, Namaliu said PNG hopes to further strengthen and develop the existing economic and trade cooperation with China, adding that his country welcomes China to help establish labor-intensive processing enterprises, which are designed to explore PNG's national resources, so as to reduce import and increase employment for the country.

Namaliu also said PNG welcomes help from China in technical personnel training.

Zheng Hongye, president of the China Council for the Promotion of International Trade, said that all member enterprises of his council, which is a non-governmental organization, are willing to develop economic and trade relations with PNG and expand investment there on the basis of equality and mutual benefit.

Namaliu and his entourage left here later today for a tour of Guangzhou and Shenzhen.

Visits Guangdong

*OW1304174591 Beijing XINHUA in English
1541 GMT 13 Apr 91*

[Text] Guangzhou, April 13 (XINHUA)—Papua New Guinean Prime Minister Rabbie Namaliu was welcomed at a dinner given here this evening by Kuang Ji, vice governor of Guangdong Province, south China.

After his arrival here at noon today, Namaliu visited a rural enterprise in suburban Nanhai County.

He said that he was deeply impressed by what he saw in this south China province.

In reply, Kuang Ji expressed the hope that Guangdong and Papua New Guinea will find ways of cooperation as they have similar climate and other natural conditions.

Departs 15 Apr

*OW1504120591 Beijing XINHUA in English
1144 GMT 15 Apr 91*

[Text] Guangzhou, April 15 (XINHUA)—Papua New Guinean Prime Minister Rabbie Namaliu left Shenzhen, China's first special economic zone, this afternoon for home, winding up his five-day visit to China.

Lao Foreign Minister Decorates Departing Envoy

*OW1304181391 Beijing XINHUA Domestic Service
in Chinese 1233 GMT 12 Apr 91*

[Text] Beijing, 12 April (XINHUA)—According to a dispatch from Vientiane, Phoun Sipaseut, vice chairman of the Lao Council of Ministers and currently minister of foreign affairs, conferred the Medal of Friendship on Liang Feng, the outgoing Chinese ambassador to Laos, on 10 April in behalf of the Lao Government.

During the decoration ceremony, Foreign Minister Sipaseut said that Ambassador Liang Feng had made positive contributions to strengthening friendship and cooperation between the two parties, the two countries, and the two peoples of China and Laos. He also expressed his wish that friendship, solidarity, and cooperation between the two parties, the two countries, and the two peoples of Laos and China will be further consolidated and bear fruit.

Following the decoration ceremony, Foreign Minister and Mrs. Sipaseut hosted a farewell dinner in honor of Ambassador and Mrs. Liang Feng.

Near East & South Asia

Use of Israeli Plans for Defense System Denied

*JHK1504025291 Hong Kong AFP in English 0227 GMT
15 Apr 91*

[Text] Beijing, April 15 (AFP)—China denied Monday that it used Israeli know-how to produce a new air-defence system.

A Foreign Ministry spokesman said a report in JANE'S DEFENCE WEEKLY last week was "without foundation."

The London weekly said the Chinese recently unveiled the prototype of their new PL-8H air defence system, which included a missile extremely similar to Israel's Python 3 air-to-air missile.

It said the missile could be an export version of the Python, a version made under license or a copy.

China and Israel have no diplomatic ties and have never officially signed arms deals with each other.

Reports Note Syrian Ba'th Delegation's Visit

Stops Over in Shanghai

OW1204142691 Shanghai City Service in Mandarin
2300 GMT 11 Apr 91

[From the "Morning News" program]

[Text] A delegation of the Syrian Ba'th Party led by its Deputy Secretary General 'Abdallah al-Ahmar arrived in China yesterday for a visit at the invitation of our party. It stopped over in Shanghai for a short stay. The leadership of the Shanghai Municipal CPC Committee, including Wu Bangguo, met and feted the delegation at the Xijiao Guesthouse yesterday afternoon. The visitors and hosts had a cordial and friendly conversation. Wu Bangguo briefed the guests on Shanghai's reform and opening.

Ma Songshan, deputy secretary general of the municipal party committee, welcomed and saw off the delegation. He also accompanied the visitors to the Shanghai Building to get a bird's-eye view of Shanghai City.

Greeted by Zhu Liang

OW1104171491 Beijing XINHUA in English
1459 GMT 11 Apr 91

[Text] Beijing, April 11 (XINHUA)—A delegation of the Arab Ba'th Socialist Party from Syria arrived here tonight on a good-will visit to China at the invitation of the Chinese Communist Party.

The delegation, led by Deputy General Secretary 'Abdallah al-Ahmar, was met at the airport by Zhu Liang, head of the International Liaison Department of the Chinese Communist Party Central Committee, and Syrian Ambassador to China Lutfallah Haydar.

Meets With Jiang Zemin

OW1204173791 Beijing XINHUA in English
1528 GMT 12 Apr 91

[Text] Beijing, April 12 (XINHUA)—China always supports the Syrian people's struggle to recover the occupied territory as well as the Palestinian people's struggle to restore their legitimate national rights. Chinese Communist Party General Secretary Jiang Zemin reiterated here today.

Meanwhile, China hopes Israel will adopt a flexible attitude. Jiang said this afternoon as he discussed the Middle East issue in a meeting with a delegation from the Syrian Arab Ba'th Socialist Party, which is led by its deputy general secretary, 'Abdallah al-Ahmar.

China stands for the convening of an international conference under the auspices of the United Nations and attended by the five permanent members of the U.N. Security Council and all parties concerned, so as to seek a just, reasonable and comprehensive settlement of the Middle East problem, Jiang stated.

Al-Ahmar spoke highly of China's support for the just cause of Syria and the Arab world in general.

In stating Syria's positions on the Gulf and Middle East, al-Ahmar called for the restoration and strengthening of unity and cooperation among the Arab nations based on the charter of the Arab League and the "Damascus Declaration."

In addition, he voiced support for the U.N. Resolutions 242 and 338 as well as an international conference under U.N. auspices.

In the meeting, Jiang expressed satisfaction with the "constant expansion" of the friendly relations of cooperation between the two parties, countries and peoples. Al-Ahmar said that he hopes to see the relationship advance further.

Jiang restated the Chinese leaders' invitation for Syrian President Hafiz al-Asad to visit China.

The Syrian visitors are scheduled to leave for a tour of Guilin, Guangzhou and Shenzhen in south China tomorrow.

Meets With Qiao Shi

OW1204174191 Beijing XINHUA in English
1536 GMT 12 Apr 91

[Text] Beijing, April 12 (XINHUA)—Qiao Shi, a Standing Committee member of the Political Bureau of the Chinese Communist Party Central Committee, held talks here today with Deputy General Secretary 'Abdallah al-Ahmar of the Arab Ba'th Socialist Party of Syria, who arrived yesterday for a week-long visit.

"In a cordial atmosphere," the two party leaders "reviewed with satisfaction the constant development" of friendly relations of cooperation between the two parties and countries in all fields, according to a Chinese official.

Qiao and al-Ahmar shared the wish to consolidate and further their traditional relationship, the official said.

In an account of Syria's domestic situation and foreign policy, al-Ahmar said his country will defend its independence and dignity, oppose aggression, Israel's policy of aggression and expansion in particular, recover the occupied territories, and strive to safeguard the unity and cooperation among the Arab nations.

He voiced appreciation for China's support for the just cause of the Arab people.

Qiao spoke highly of Syria's efforts in developing its national economy and culture, safeguarding its national independence and state sovereignty, opposing Israel's policy of aggression and expansion, supporting the just struggle of the Palestinian people, and strengthening the unity among Arab countries.

Briefing the visitors on China's domestic affairs, the Chinese source quoted Qiao as saying, "generally, the political and economic situation of the country is good, despite some existing difficulties and problems."

While China pushes ahead with the reform and open policy, Qiao said, it will also continue to carry out political and economic restructuring and to strengthen socialist democracy and legal system.

Al-Ahmar, in an assessment of China's achievements, said that China's policy for building socialism has proved to be correct.

In the talks, Qiao stated China's basic positions on international affairs, saying that the country always opposes hegemonism and power politics, and supports the just cause of the world people, including the Arab and Palestinian people.

In addition, the two leaders exchanged views on major international issues of mutual concern, including those on the Middle East and the Gulf, with many of their views being similar or identical.

After the talks, Qiao hosted a luncheon to welcome al-Ahmar and his group.

Experts Will Help Fight Kuwaiti Oil Fires

*OW1504140091 Beijing XINHUA in English
1347 GMT 15 Apr 91*

[Text] Kuwait City, April 15 (XINHUA)—Chinese fire fighters are confident of achieving success in helping Kuwait extinguish the oilfield fires despite the complicated and serious conditions of the nearly 600 wells ablaze, a Chinese expert in the field said here today.

Sun Zhenchun, a senior engineer on oil well fires, told XINHUA that Chinese fire fighters have replied to the Kuwaiti Oil Ministry request for help, and will render assistance through the Chinese Petroleum and Gas Corporation to extinguish oil well fires.

A team of Chinese experts arrived here on March 23. They handed in their strategy to the Kuwaiti authorities and held a series of discussions exchanging ideas on how to contain the fires. Chinese firefighters conducted more than 20 days of on-the-spot investigations under very difficult conditions.

The Kuwaiti side expressed confidence in the Chinese experts' skills, capabilities and experiences, welcoming the Chinese to take part in fighting some of the oil field fires.

The blazes, which are very complicated and are severely damaging the oil wells, are indeed unprecedented, Sun said. The pumping facilities on most of the 600 oil wells on fire have been damaged. Every day the flames, which are sometimes 50-60 meters high, burn six million barrels of crude oil.

As oil spillage ground pollution becomes worse, and the temperature around the fires increase, more blazes are breaking out over large areas, he added. These factors, Sun said, make the task of putting the fires out very hard.

Over the past 40 years, China has accumulated a wealth of experience in dealing with 400 oil well fires, Sun added; he started his career against oil fires in the 1960's and has participated in extinguishing 150 oil-well fires.

"Despite the difficulties in fighting the fires in Kuwait, we are full of confidence and prepared to work," Sun said.

Chinese experts suggested that repairs can be done while fighting the fires for resuming the production as soon as possible. The suggestion was highly praised by the Kuwaiti side, Sun disclosed.

Kuwaiti Oil Minister Rashid al-'Amiri said on Saturday that the time to extinguish the fires will be shortened from the two years as experts had originally predicted to seven months.

The minister said that Kuwait has asked fire-fighting companies in other countries to participate the fire-fighting campaign apart from just the United States. He said Kuwaiti authorities are negotiating with the governments and fire-fighting companies from China, Britain, France, Germany and Iran.

Cholera, Typhoid Cases Increase in Iraq

*OW1504004591 Beijing XINHUA in English
0024 GMT 15 Apr 91*

[Text] Baghdad, April 14 (XINHUA)—The number of cholera and typhoid cases has increased to more than 1,000 in southern Iraq, an official of the Iraqi Red Crescent told XINHUA today.

Ibrahim Ahmad Al Nouri, head of the Iraqi Red Crescent, said that the situation is very critical and that even doctors and nurses have been infected by the diseases.

The lack of clean water and medicine triggered the outbreak of cholera and typhoid in Iraq one month ago. But now "the medical conditions in the south are turning from bad to worse," the official added.

He said, "the Ministry of Health has taken measures to bring things under control."

An official from the International Committee of the Red Cross (ICRC) told XINHUA here last Thursday that his committee will send two water purification machines to northern and southern Iraq so that old the sick people could have clean drinking water.

The ICRC official said that the Red Cross has given Iraq 220 tons of medicament [as received] and that more convoys of medicine are on the way. Other international humanitarian organizations have also contributed emergency supplies to the war-torn country.

West Europe

Shanghai's Zhu Rongji Continues Brussels Visit

Meets EC Vice President

OW1304091191 Beijing XINHUA in English
0852 GMT 13 apr 91

[Text] Brussels, April 12 (XINHUA)—Vice president of the Commission of the European Community (EC), Hanning Christophersen, met Shanghai Mayor Zhu Rongji today, when he congratulated Zhu on his recent promotion to vice-premiership.

Christophersen, who is responsible for EC financial affairs, said China kept a good momentum in economic growth, which is a complement to the world's whole.

He spoke highly of the significance of this sustained progress and expressed strong interest in the broad prospect of cooperation between EC and China.

Mayor Zhu said China has been attaching great importance to its relations with EC.

He briefed Christophersen the stable political situation and economic advance in China.

China has hammered out a Ten-Year Development Program and an Eighth Five-Year Plan, Zhu said, adding that China's continued reform and opening to the outside world is offering promising prospects and good opportunities for cooperation between the two sides.

Meets Belgian Officials

OW1304115891 Beijing XINHUA Domestic Service
in Chinese 0739 GMT 13 Apr 91

[By reporter Yang Yuanhua (2799 0337 5478)]

[Text] Brussels, 12 Apr (XINHUA)—Belgian Deputy Prime Minister Claes met with visiting Chinese Shanghai Mayor Zhu Rongji today.

The Belgian deputy prime minister congratulated Mayor Zhu Rongji on his being appointed as China's vice premier, and extended a warm welcome to his visit to Belgium. During the meeting, both sides pledged to further develop economic cooperation and trade between the two countries.

Claes said during the meeting that Belgium will continue to grant loans to China and support enterprises to share their new technologies with China and develop other modes of bilateral cooperation.

Zhu Rongji said: "I am visiting the friendly city Antwerp in the name of the Shanghai municipal delegation. China and Belgium have traditional friendship and cooperative relations. Belgium is the first nation among the EEC members to provide interest-free governmental loans to China."

Zhu Rongji also briefed Claes on China's economic development, pointing out that the large-scale construction in China offers many opportunities and broad prospects for cooperation between the two countries, and that the friendly relations and cooperation between Shanghai and Antwerp have broad prospects.

Belgian Minister of External Relations Eyskens and Minister of Communication Colla also separately met with the visiting Shanghai mayor today. During the meetings, both ministers expressed the necessity to expand the friendly relations and cooperation between the two countries in the economic, and scientific and technological fields, and particularly in the telecommunications field. They described Mayor Zhu Rongji's visit as a successful visit indicating a further improvement of Belgian-Chinese relations.

Xia Daosheng, Chinese ambassador extraordinary and plenipotentiary to the Kingdom of Belgium, was present at the aforesaid three meetings.

Zhu Rongji Meets With French Leaders

OW1304170591 Beijing XINHUA in English
1619 GMT 13 Apr 91

[Text] Paris, April 13 (XINHUA)—The mayor of Shanghai, Zhu Rongji, arrived here today for a five-day visit following his tour to Italy, the Netherlands and Belgium.

Zhu will meet French Prime Minister Michel Rocard, Foreign Minister Roland Dumas and other government officials, as well as representatives from banking and industrial circles for talks on economic cooperation between France and the city of Shanghai.

His agenda also includes a speech at a public lecture organized by the France-China Committee of the National Council of French Employers (NCPF), and trips to a number of cities including St. Nazaire, Lyon and Marseille.

NATO Military Commanders Note New Strategies

OW1304073091 Beijing XINHUA in English
0713 GMT 13 Apr 91

[Text] Brussels, April 12 (XINHUA)—NATO military commanders discussed their strategy, force structure and command structure in the future at their first meeting this year, which ended here today.

The two-day meeting at the NATO headquarters in Brussels paid particular attention to the lessons of the NATO nations in dealing with the Gulf crisis.

General Vigleik Eide, chairman of the Military Committee, told a news conference after the meeting that the commanders had stressed the need for a highly flexible "rapid reaction force that could adapt to 'the challenge of change.'"

"The meeting underlined the need for a NATO-wide crisis management exercises" and the flexibility in handling future crisis, said the general.

"A broad agreement was reached from the military side on the guiding principles, including three main categories of NATO future forces, the main defense forces, reaction forces and augmentation forces," said Eide.

This meeting was preparing military advice and recommendations for the forthcoming Defense Committee meeting in May. Its proposals will be presented to the defense ministers who then will make the final decision.

Questioned about the future role the U.S. would play in the new NATO military structure, as it is drawing down in Europe, the chairman said that signals had come from the U.S. political side that "there will be a significant contribution as committed to Europe in future."

Latin America & Caribbean

Argentine Congress Delegation Visits Beijing

Meets NPC Chairman

*OW1204130491 Beijing XINHUA in English
1236 GMT 12 Apr 91*

[Text] Beijing, April 12 (XINHUA)—Chairman of the Standing Committee of the Chinese National People's Congress (NPC) Wan Li met an Argentine congress delegation here this afternoon.

The Argentine delegation is led by Chairman of the Senate Budget and Finance Committee Juan Carlos Romero and consists both of senators and deputies.

Wan said Sino-Argentine relations have been developing well since the two countries established diplomatic relations.

He said he believed the Argentine congress delegation's visit to China will promote friendly cooperation between the two countries.

Wan and Romero briefed each other on their own countries' situation.

Romero conveyed to Chairman Wan a letter from President of Argentine Senate Eduardo Duhalde.

Delegation member, Chairman of the Budget and Finance Committee of the Argentine Chamber of Deputies Jorge Ruben Matzkin also conveyed to Chairman Wan a letter from President of the Chamber Alberto Pierri.

The Argentine delegation held talks with NPC's Financial and Economic Committee this morning.

Visits Tian Jiyun

*OW1304124991 Beijing XINHUA in English
1227 GMT 13 Apr 91*

[Text] Beijing, April 13 (XINHUA)—Vice-Premier Tian Jiyun met an Argentine congress delegation led by Chairman of the Senate Budget and Finance Committee Juan Carlos Romero here today.

Tian said China is happy to see the rapid development of its relations and economic cooperation with Argentina since the establishment of diplomatic relations between the two countries.

He said China is willing to further develop its economic cooperation and trade with Argentina.

He also briefed his guests on China's economic situation.

The Argentine delegation is scheduled to leave here for Shanghai tomorrow.

Uruguayan Foreign Trade Minister Arrives

Meets Li Lanqing

*OW1204134591 Beijing XINHUA in English
1256 GMT 12 Apr 91*

[Text] Beijing, April 12 (XINHUA)—Li Lanqing, Chinese minister of foreign economic relations and trade, held talks here today with Enrique Braga, visiting minister of economy and finance of the oriental Republic of Uruguay. [as received]

The two ministers briefed each other on the economic and trade situations that exist in the respective countries, exchanged views on economic relations and trade between the two countries, and explored the possibilities of developing cooperation.

At the invitation of Li Lanqing, Braga and his party arrived in Beijing today. They are scheduled to leave here for home April 15.

Talks With Tian Jiyun

*OW1304164391 Beijing XINHUA in English
1446 GMT 13 Apr 91*

[Text] Beijing, April 13 (XINHUA)—Vice-Premier Tian Jiyun said here today that China supports the formation of the South Common Market between four South American countries.

He also expressed China's hope that the common market will be open to Chinese products during a meeting with Uruguayan Minister of Economy and Finance Enrique Braga.

According to the Chinese Ministry of Foreign Economic Relations and Trade, the South Common Market, which is scheduled to be established on December 31, 1994,

will comprise Argentina, Brazil, Paraguay and Uruguay. The four countries signed the relevant documents on March 26 this year.

Tian said that China values its economic and trade relations with various countries on the basis of equality and mutual benefit, adding that China hopes its economic and trade relations with Uruguay will continue to develop.

Braga arrived in Beijing on April 12 at the invitation of Chinese Minister of Foreign Economic Relations and Trade Li Lanqing.

Peruvian Leader Accepts Credits, Ends Visit

HK1304092491 Hong Kong HONGKONG STANDARD
in English 13 Apr 91 p 5

[Text] Beijing: President Alberto Fujimori of Peru ended a trade-building visit to China yesterday, saying he had accepted U.S.\$10 million (HK\$78 million) in interest-free Chinese credits.

He spent much of his four days in China exploring ways to spend it.

Mr. Fujimori said Beijing also gave his government an outright grant of U.S.\$400,000. for the purchase of Chinese commodities.

The Peruvian President, on his first official visit to China, said before departing that the \$10 million loan could be used to purchase virtually any Chinese product.

Mr. Fujimori said he had viewed some light weapons and equipment appropriate for police work, but said his debt-mired country was too poor to use the new credits for arms purchases.

"Peru does not need more weapons," said Mr. Fujimori, a descendant of Japanese immigrants born and raised in the Andean nation.

Mr. Fujimori told a news conference at Beijing's Great Hall of the People that he had not come to China to shop for armaments.

He said no military agreements were reached during his four-day stay, which included visits with Premier Li Peng and President Yang Shangkun.

"There was no specific discussion on the issue of weapons," Mr. Fujimori said.

Peruvian Vice President Notes 'One China' Policy

OW1204182091 Beijing XINHUA in English
1505 GMT 12 Apr 91

[Text] Lima, April 11 (XINHUA)—The Peruvian Government only recognizes one China—the People's Republic of China, Peru's first vice president, Maximo San Roman Caceres, said here today.

In an exclusive interview with XINHUA (NEW CHINA) NEWS AGENCY, San Roman said Peru will steadfastly carry out its promise of recognizing only China as laid down in the communique on establishing diplomatic relations between the two countries, which was signed 20 years ago.

The Peruvian leader, who concluded his China visit not long ago, said government officials of Peru will never pay formal visits to Taiwan despite their willingness to know the developing economy there. The Taiwanese authorities, he said, have invited him and other senior officials and House representatives to visit the island. But the invitations are unacceptable in view of the agreement reached between Peru and the People's Republic of China.

Talking about his recent trip to China, the first vice president and Senate president said he found enormous potential for cooperation between the two countries.

Both Peru and China will see the broad prospects to cooperate in the fields of trade, culture, technology and so on, he said.

San Roman also spoke highly of the visit by President Alberto Fujimori, the first Peruvian president in China. The exchange of visits by Peruvian and Chinese leaders, he said, will further strengthen their bilateral ties of friendship and cooperation.

National People's Congress**Military Delegation Holds Panel Discussions****Liu Huaqing Stresses Goal**

*HK1204062791 Beijing JIEFANGJUN BAO in Chinese
28 Mar 91 p 1*

[Report by correspondent Wang Jianguo (3769 1696 0948); "At Panel Discussion on Premier Li Peng's Report, Military NPC Deputy Liu Huaqing Says the Army Should Make Contributions in Achieving Second-Stage Strategic Goal"]

[Text] Beijing, 27 Mar (JIEFANGJUN BAO)—In his speech at today's panel discussion of the People's Liberation Army [PLA] delegation on Premier Li Peng's report, Liu Huaqing, military delegate to the National People's Congress [NPC], said that over the past decade, China's national defense power has been largely strengthened, and under the new situation it is imperative to attach greater importance to the building of national defense and strive to attain China's second-stage strategic goal.

Liu Huaqing expressed total agreement on both the Outline (Draft) of the 10-Year Program and the Eighth Five-Year Plan, which were submitted to this session by the State Council for examination and approval, and Premier Li Peng's report. He indicated that following the conclusion of this session, China will enter a new stage of historical development in its efforts to build socialist modernization. This has a direct bearing on the rise or fall and success or failure of socialism in China, as well as on the future and fate of the Chinese nation; and it is a glorious task entrusted to every NPC delegate by history to discuss and approve these two important documents.

Liu Huaqing stated: It is the strong aspiration of the people of all nationalities of the entire country to attain the second-stage strategic goal of China's economic development. In this connection, being an army of the people, the party, and the socialist country, our army shoulders a heavy historic responsibility, and should make contributions worthy of our mission.

Liu Huaqing said: Over the past decade, China has scored significant achievements in the building of national defense. Comrade Xiaoping is a chief designer not only for China's economic construction, reform, and opening up, but also for China's building and reform of national defense. With the meticulous strategies and leadership of Comrade Xiaoping, and under the direct organization and command of Vice Chairman Yang, we have brought about a strategic change in the guiding ideology of the building of national defense and the army; carried out a series of significant readjustments and reform in the military, political and logistic fields; and achieved fruitful results. All these results are an important component of the great achievements scored in the construction and development of the entire country over the past decade.

After that, Li Huaqing stated his views on the issue of further strengthening the building of our army, and striving to attain China's second-stage strategic goal.

He indicated: It is imperative to uphold the absolute leadership of the party and maintain the highly centralized unity of the army. It is a comprehensive and arduous task to maintain the stability of the country and the society. The party Central Committee with Comrade Jiang Zemin as the core has carried out multilateral work with fruitful results, and China's overall situation is very good. Under the stable overall situation, however, there also exist some unstable factors. Therefore, our army should uphold the absolute leadership of the party; vigorously strengthen the political building; grasp well the building of party organizations at all levels in the army; do a good job of military training and management; and ensure our army is politically and militarily qualified, and always remains loyal to the party, the motherland, the people, and the cause of socialism.

Liu Huaqing said: It is necessary to fully seize the advantageous opportunities to quicken the pace of modernization building of our army. He stated that in our army's efforts to fulfill its tasks entrusted by the party and the country, what counts is strengthening its self-building. During the present and the coming periods, China's overall security environment is tending to show some improvement. This is both a rare opportunity and a challenge for us. No matter whether viewed from the international strategic setup or from the security situation around China; and no matter whether viewed from the competition of comprehensive national strength or from the development of science and technology, as well as weaponry and equipment, China is faced with severe challenges in its efforts to build national defense and the army. We should seize the opportunity and try hard to catch up so as to build ours into a powerful revolutionary army with a modern combat capacity. Liu Huaqing pointed out that it is true that the modernization of weaponry and equipment serves as a material basis for the modernization of the army, yet an army without sufficient military training can win no battle, however well-equipped it is. It is man who finally decides the outcome of a war. Military training is a most important link in integrating man and weaponry, and a basic way to enhance the combat capacity of the army in peacetime. We should earnestly implement the Central Military Commission's requirement on centering on military training to train our troops hard and strictly, perfect their combat skills, and foster a fine combat style. It is necessary to do a good job in running military academies to bring up highly qualified personnel of various kinds for the building of our army, pay attention to studying the new features of modern wars, work out new strategies that will enable our army to defeat the enemy with available equipment under modern conditions, and develop the military science of our army on the basis of carrying forward Mao Zedong's military thought.

Liu Huaqing pointed out: Our army should implement the principle of building up the army through thrift and

hard work, and vigorously forge ahead under difficult conditions. He said that the party and government have shown great concern for the building of the army, and the subjective and objective conditions for the building of the army will become better and better. As to the army itself, we should take the whole situation into account and make allowances for the country's difficulties. It is necessary to regard the principle of building up the army through thrift and hard work as a long-term one: Under the situation wherein the country has difficulties and military expenditure is insufficient, on the one hand, we should "broaden sources of income" by vigorously developing agricultural and sideline production so as to lighten the burden on the state and the people, and subsidize the ordinary expenditure needs of our troops. On the other hand, we should "reduce expenditure" by closing down some stalls [as published]: simplifying the administrative structure and reducing the number of staff; launching mass activities of practicing economy; cutting down all unnecessary expenditure; strengthening management; and taking vigorous measures to enhance efficiency. Efforts should also be made to fully carry forward the fine tradition of our army, strengthen confidence in overcoming difficulties, and accomplish more tasks with the limited funds in hand.

Liu Huqing also expressed his views on the issue of carrying out activities of supporting the government and cherishing the people in a thoroughgoing way; and further strengthening unity between the army and the government and between the army and the people. He said: The vast numbers of officers and men of the people's army should earnestly support the economic construction of our country, take part in key construction projects of the state and localities, vigorously participate in the social welfare undertaking, and do more good deeds for the people. It is necessary to unremittingly emulate Lei Feng. Where there are difficulties, there is the PLA, and where there is the PLA, there are "two civilizations." We will step forward bravely whenever the country and the people need us. Efforts should be taken to carry out the activities of army-people joint building of two civilizations in a down-to-earth and sustained manner, and consolidate and develop the ideological and cultural front of socialism. Army-government and army-people relations should be strengthened through varied forms.

Chi Haotian on Security

HK1204130191 Beijing JIEFANGJUN BAO in Chinese
28 Mar 91 p 1

[Report by correspondent Dong Xiongqi (5516 4382 6386); "At Group Discussion on Premier Li Peng's Report, Military NPC Deputy Chi Haotian Stresses Need To Strengthen National Defense Construction and Safeguard National Security"]

[Text] Beijing, 27 Mar (JIEFANGJUN BAO)—At this afternoon's group meeting, Deputy Chi Haotian made a speech and said: "Premier Li Peng's report points out

that national defense construction must be further strengthened, and it is necessary to appropriately increase national defense expenses within the state's financial capacity, strive to upgrade national defense science and technology, selectively strengthen the development of new weapons and equipment, and raise the modernization level of the armed forces' weapons and equipment. I think this is completely correct."

Chi Haotian said: "Without great national defense strength, there would not be a stable political environment and it would be impossible to achieve the lofty objective of building socialism."

Chi Haotian held that solidly maintaining the concept of national defense is a primary condition for the nation's long-lasting peace and security. Some world events in recent years have again and again reminded us that if a nation does not keep a strong sense of national security and does not attach importance to national defense, it will find itself in a very dangerous position and will even lose national sovereignty and suffer national humiliation. A strong sense of national defense not only may be turned into a great national centripetal and rallying force in political terms and into high combat morale and great fighting capability in military terms, it also may play a great role in promoting economic construction. Therefore, we urgently need to continuously strengthen the whole nation's sense of national defense, and should take this as an important integral part of our socialist spiritual civilization construction and as a long-term policy for maintaining our country's prolonged peace and stability. This should be turned into our tradition and should be maintained for a long time in order to ensure that our state and nation always will be invincible.

When talking about how to strengthen the people's sense of national defense, Deputy Chi Haotian said: Modern warfare is more and more contingent upon the comprehensive role of various factors of a nation's strength and on the overall power formed by the coordinated development of various factors in national defense. Modern national defense is more and more reflected in across-the-board defense of the whole nation. This requires that the entire people on all fronts, in all trades, and of all nationalities form a unified will and make concerted efforts. At present, it is particularly necessary to stress the proper implementation of the "Law on Protecting Military Installations" and to tell the people to show concern for and cherish the facilities and engineering projects for national defense purposes. The national defense installations that have been built over the past decades are the fruits of the prolonged hard work of innumerable soldiers and civilian workers, and constitute part of our nation's valuable wealth that must be cherished with double care. At present, the CPC Propaganda Department and the Justice Ministry have included the law on protecting military installations in the national program for popularizing legal knowledge in the Eighth Five-Year Plan. It is believed that local governments at all levels will make great efforts to publicize this law in

legal education. Our armed forces comrades should more actively assist them in conducting propaganda and education in this regard.

When discussing the responsibility of the people's armed forces in the course of strengthening the sense of national defense, Deputy Chi Haotian said: Our armed forces comrades should strive to guarantee a safe and stable environment for our country's economic construction and reform, and should make greater contributions to this. He said: The world's strategic pattern is now undergoing major changes. As the international situation continues to be complicated and turbulent, in order to ensure the smooth advances of our country's economic construction, reform, and opening up, the armed forces are shouldering rather arduous tasks. We must strive to meet the general requirements of keeping the troops politically up to standard and militarily proficient, and raising the troops' fighting capabilities in all aspects, and must concentrate on improving the military units' development. In our military work, we must seriously implement the spirit of the military work conference and properly fulfill the military training and troop management tasks. At the same time, it is necessary to seriously study the new questions raised by the local wars in the world for our military training, and to explore some new paths in training the troops. We should try to carry forward and develop our fine military tradition and should particularly further intensify the study of Mao Zedong's military thought.

Qin Jiwei on Construction

HK1204150191 Beijing JIEFANGJUN BAO in Chinese
28 Mar 91 p 1

[Report by correspondent Xin Yu (2450 1342); "At Panel Discussion on Premier Li Peng's Report, NPC Military Deputy Qin Jiwei Says the Army Should Actively Support State Construction"]

[Text] Beijing, 27 Mar (JIEFANGJUN BAO)—Attending today's panel discussion by the People's Liberation Army [PLA] delegation to examine and discuss Premier Li Peng's report, National People's Congress [NPC] Deputy Qin Jiwei said: Fulfilling the second-stage strategic goal is a common task for all the Chinese people, and the PLA is duty-bound to do its share, carrying forward the glorious tradition of the people's army and playing an active part in supporting national construction.

Qin Jiwei held that Premier Li Peng's report gives a well-grounded summary of China's achievements and experience in reform, opening up, and modernization during the 1980's, and that the targets for economic and social development for the 1990's set by the report are appropriate and feasible. He said: The premier's report is very convincing. In this impoverished country with a large population, we have fulfilled our first-stage strategic goal ahead of schedule and have solved the issue of feeding and clothing the people through 10 years of

reform and opening up. This is a marvelous achievement, widely acknowledged and acclaimed across the world. In the wake of economic growth and the improvement in living standards, this country is enjoying unity and stability, and its people live and work in peace and contentment. The next 10 years will be a very crucial decade. The fulfillment of the second-stage strategic goal will help lay down a solid foundation for the accomplishment of the third stage's strategic goal by the mid-21st century. By that time, China's economic strength will be substantially augmented, both the material and cultural living standards will be remarkably improved, and China's international standing will be greatly upgraded.

Deputy Qin Jiwei said: Fulfilling the second-stage strategic goal is a very arduous task, but we enjoy quite a few favorable conditions. First, we have the strong leadership of the party's Central Committee, with Comrade Jiang Zemin as the core. Our practice since the Fourth Plenary Session of the 13th CPC Central Committee has shown that the CPC Political Bureau Standing Committee leadership is strong and efficient. Many veteran revolutionaries of the older generation are still alive and can play a role. Second, thanks to the 10 years of reform and opening up, the country's economic strength has increased remarkably, and the people have gained substantial benefits. Having reached a common understanding on reform and opening up as the way to enrich the country and the people, the Chinese people of all nationalities are now striving with one heart and one mind to achieve the second-stage strategic goal. Third, the 4 June incident has taught the people and cadres a negative lesson. Now the broad masses have more clearly realized that national construction requires political stability and unity, while instability can lead nowhere, but can cause grave destruction. Fourth, all sectors have gained valuable experience and cadres have been trained through the past 10 years of reform and opening up. Fifth, the international situation is very favorable to us.

Qin Jiwei said: The party's central leadership and the State Council have always set great store by national defense. Practice has shown that the economy is the basis, while national defense is the backing for the economy. Without the economy serving as the basis, the further development of national defense is out of the question. Without a strong national defense as a backing, national security cannot be safeguarded and economic construction will be impossible. We must handle the relationship between national defense and economic construction appropriately, and ensure that they develop alongside each other in a well-coordinated manner. As long as there is no large-scale war, we should take economic construction as the central task at all times.

Qin Jiwei pointed out: The international situation will be very complicated over the next 10 years. It is unlikely that there will be any massive wars, though regional wars will not cease. Neither will the imperialists change their "peaceful evolution" strategy against socialist countries. We in the PLA are undertaking a glorious mission to defend the country against foreign aggression and to

safeguard national security and domestic stability so the people can work and live in peace. The army must make unremitting efforts to step up its self-development, do a better job in promoting spiritual civilization in cooperation with the local public, make sure that army units are politically reliable and militarily proficient, more efficiently perform its glorious duties in defending the motherland and safeguarding the smooth development of the Four Modernizations program, and make greater contributions to fulfilling the second-stage strategic goal.

Defense Said Excluded From Spending Cuts

HK1304022691 Hong Kong SOUTH CHINA MORNING POST in English 13 Apr 91 p 6

[By Willy Wo-lap Lam]

[Text] Defence spending will not be affected by the decision of the National People's Congress (NPC) to slash expenditure by 500 million yuan (HK\$746.5 million) this year, Chinese sources said yesterday.

In the budget for 1991 originally presented to the NPC late last month, Finance Minister Mr Wang Bingqian proposed 357.16 billion yuan in spending and revenues of 343.81 billion yuan, resulting in a deficit of 13.35 billion yuan.

But the congress decided before closing last Monday to slash the deficit by 1 billion yuan by boosting revenues by 500 million yuan and cutting spending by the same amount.

The decision was made after an outcry from NPC deputies that the weak economy could not cushion the unprecedented deficit.

Defence and other major areas including agriculture and infrastructure building, however, will not be touched as cutbacks will only be made in "non-essential" areas.

This year, 32.51 billion yuan has been earmarked for the army, an increase of 12 percent over 1990.

Analysts say that despite widespread comments by diplomats and the international press that the increase in spending signals a massive build-up in weaponry, Beijing is not prepared to pare down army outlay.

The extra revenue is expected to come from taxes and borrowing.

Song Hanliang on Xinjiang's Economic Prospects

OW1504081391 Urumqi XINJIANG RIBAO in Chinese 31 Mar 91 pp 1, 3

[Report on interview with Song Hanliang, deputy to the National People's Congress and secretary of the Xinjiang Uygur Autonomous Regional Party Committee. By reporters Qian Zhi (6929 2535), Zhou Lijun (0719 4539 6511), and Li Heping (2621 0735 1627); in Beijing; date not given]

[Text] Song Hanliang said: Apart from charting a grand blueprint for China's realization of the second strategic goal, Premier Li Peng's report and the outline of the 10-Year Program and the "Eighth Five-Year Plan" have given rise to unprecedented historic opportunities for Xinjiang's economic development. If Xinjiang capitalizes on those opportunities and accomplishes something, it can expect to dismantle the partially closed economic structure of the past, race to the forefront in the general effort that is expected to last until the 21st century, and make substantial progress in economic development.

Speaking from the perspective of strategic development, Song Hanliang went on to analyze three major opportunities that will become available to Xinjiang as a result of preferential state policies, the construction of the Eurasian Continental Bridge, and the massive development of petroleum.

On opportunities that are expected to arise from preferential state policies, Song Hanliang said: First, opportunities are expected to be brought about by the readjustment of national industrial policies. During the "Eighth Five-Year Plan" and the next decade, the state will focus on developing basic industries, such as agriculture, energy, communications, and raw and semifinished materials. This will provide Xinjiang with ample opportunities to fully exploit its resources. In agriculture, Xinjiang has laid a substantive foundation after 13 consecutive years of bumper harvests. Besides having more than enough grain for its own consumption, it has made rapid progress in growing cash crops, such as cotton and sugar beet. The region's 50 million mu of arable land, over 100 million mu of reclaimable land, and bountiful water, soil, light, and heat resources, provide favorable conditions for further agricultural development. In the field of energy, Xinjiang is world famous for its petroleum, leads the nation in terms of estimated coal deposits, and has more than 30 million-kilowatts of undeveloped water resources. In the field of raw and semifinished materials, the state's "305" key scientific research project, which has been launched extensively in Xinjiang, has helped us to ascertain large prospective reserves of nonferrous metals, such as copper, nickel, lead, and zinc. Because of these reserves, Xinjiang may become a key national base with reserve resources, and there are broad prospects for the development of raw and semifinished materials. Second, opportunities are expected to be brought about by preferential state policies—including the policy of regional labor division, consideration of various interests, overall arrangements, and common prosperity—which the state plans to implement effectively. These policies call for promoting economic development through the exploitation of resources in places where the resources are situated, and for making overall arrangements for the rational deployment of processing industries in places where resources are located and in processing zones. Coastal developed areas are urged to offer financial, material, manpower, and technical assistance to hinterland construction projects. Third, opportunities are

expected to arise from the state's continued implementation of the policy of lending active support to ethnic areas in economic development, including the implementation of preferential economic policies in ethnic areas, the establishment of some agricultural and related processing industrial bases in Xinjiang, and the vigorous development of border trade. All these are opportunities that are expected to be generated by preferential policies.

Song Hanliang expounded his views on the linkup of the Eurasian Continental Bridge. He said: Being a remote area, Xinjiang is inaccessible, and circulation of goods is inhibited, so naturally the autonomous region will not achieve great prosperity. The Sino-Soviet railway tracks have been joined together, and international transport will commence in 1992. The railway shortens the distance between Xinjiang and the outside world greatly, giving Xinjiang a chance to change its partially secluded nature and to modify its old economic structure. This is evidently significant to Xinjiang's economic development.

Speaking on the future of oil exploitation, the secretary, who was once a petroleum and geological worker, appeared to be highly excited. He said: During the "Seventh Five-Year Plan," we made important breakthroughs in oil and gas exploration in the Tarim oilfield, and great discoveries in the Turpan-Hami Basin. The state has listed the development of these sites as China's key development projects. We are certain that oil exploration will greatly propel Xinjiang's economic development. This will be most prominently reflected in the following: The output value of oil and natural gas will grow. In particular, growth in the output value of natural gas, which cannot be transported over long distances, will positively affect Xinjiang's economy. Speaking from a long-term perspective, refining some of the oil and the majority of the natural gas in places where these resources are located, will promote quick development in Xinjiang's petrochemical industry. Oil exploitation will promote a major transformation in Xinjiang's product mix, and cause a boom in industries that manufacture high value-added goods. The process of oil exploitation will stimulate a series of new industries, further perfect the socialized service network, and promote the development and utilization of various downstream products. It will surely bring substantial social benefits to Xinjiang in various aspects.

At this point, Song Hanliang paused briefly, then said in a serious tone: The three great opportunities will provide Xinjiang with a unique environment favorable to economic development. However, opportunities have yet to become a reality, and with opportunities come challenges. The change from a secluded situation to a key development center is a gigantic transformation process. We must work very hard to find ways of adapting to the process, to change our ideas, and improve the masses' cultural and technological qualities as soon as possible. At present, problems concerning insufficient funds, skilled personnel, and economic means, and low standards in resource exploitation and development, are becoming increasingly prominent. Fund shortages, in

particular, will become the "bottleneck" that inhibits Xinjiang's economic development. We should clearly understand the problems and difficulties in order to be successful. If we fail to do so, the opportunities will slip away, and we will go down in history with a bad conscience.

Song Hanliang said resolutely: We should seize the opportunities, and face the challenges. We must uphold self-reliance and the reform and open policies, which are the keys that largely determine whether Xinjiang's economy will develop.

Song Hanliang said: We should proceed from upholding self-reliance. Xinjiang is an undeveloped ethnic minority region. Economic development requires strong support from the central authorities and from fraternal provinces, municipalities, and autonomous regions. However, we cannot always be the one who "asks" and the one who is "taken care" of. Our solution lies in self-reliance. Song Hanliang made further analysis and said: We have 40 years of construction experience, and have acquired some ability to accumulate resources and develop ourselves. We have strong potential for economic development. First, Xinjiang's industries have reached a certain scale, although basically their management is backward, their production unitary, and their quality and performance rather low. Low standards, however, may mean potential. Xinjiang's economy will advance significantly if its standard is raised further. Second, Xinjiang's agriculture has a rather solid foundation. We have reaped bumper harvests for 13 consecutive years. However, the processing of our agricultural and sideline products is not sophisticated enough, and the increase in product prices has always been the weak link in economic development in our rural areas. If we strengthen the link, Xinjiang's capability to develop itself will be greatly enhanced. Third, the economy at or above the county level in Xinjiang remains undeveloped. On the average, the proportion contributed by the industrial output value to the industrial and agricultural output value of counties is less than 30 percent. Most of the counties remain as agricultural and animal husbandry zones. Their preparations for the coming large-scale development are far from sufficient. Therefore, stimulating the economy at or above the county level is rather important. Once we solve these three problems, Xinjiang's overall economic strength will improve significantly, and the autonomous region's ability to develop itself will be enhanced greatly.

Song Hanliang said: Upholding the reform and open policies is the way to new growth. By deepening reform, we will be able to gradually establish a new system of planned socialist commodity economy and an operational mechanism that combines the planned economy and market regulation; inject new blood into Xinjiang's economic operations; enable the integration of the autonomous region's economy with major markets in China, or even in the world, as soon as possible; and make Xinjiang develop and progress in the face of competition. We should expand Xinjiang's opening to

the outside world; implement the principle of "importing from the East and exporting to the West, paying attention to the West, and opening comprehensively to the outside world." We also should fully utilize Xinjiang's resources and geological position for opening to the West; the second Eurasian Continental Bridge; and the system of regional autonomy for minority nationalities. We also should formulate special policies and adopt flexible measures to attract domestic or foreign investment, technology, and skilled personnel, and attract all useful forces into Xinjiang. By doing so, we will develop internal motivating forces and an external driving force for Xinjiang's development. This will greatly enhance our capability to conduct large-scale development and construction.

Song Hanliang said confidently: So long as we seize the historical opportunities, work with one heart and one mind, and work hard quietly, Xinjiang's economy will certainly thrive.

Xinjiang Delegation on Religion

HK1504064491 Beijing RENMIN RIBAO in Chinese
10 Apr 91 p 2

[Report by staff reporter Meng Renquan (1322 0088 3123); "NPC Vice Chairman Seypidin Aze Stresses Importance of Strengthening People's Democratic Dictatorship"]

[Text] Not long ago, when the Xinjiang delegation was examining and discussing the reports by the Supreme People's Court and Supreme People's Procuratorate, National People's Congress [NPC] Standing Committee Vice Chairman Seypidin Aze said: Class struggle still exists in socialist society; it exists today and will exist in the future. Therefore, it is very important to strengthen people's democratic dictatorship. People's democratic dictatorship makes it necessary to mobilize and depend on the masses; strengthen legal, judicial, and public security work; and improve working conditions.

When discussing the question of religion, Seypidin Aze said: It is necessary to correctly implement the party's religious policy. There is freedom of religion; those who believe in religion must be not forced to give it up, while those who do not believe in religion must not be forced to accept it. We will not tolerate anyone who opposes socialism and who hampers the motherland's unity through religious activities. In some places, some people carry out illegal religious activities. Here, there exists the problem that they are scrambling with us for the next generation and the question of what sorts of people we will bring up. Carrying out illegal religious activities is, in practice, leading normal religious beliefs astray. Communists must not believe in religion. They should study and propagate Marxism, and should teach cadres and the masses with dialectical materialism. Xinjiang should pay attention to addressing this question.

Grasslands Development Urged

OW1004144691 Beijing XINHUA Domestic Service
in Chinese 0849 GMT 6 Apr 91

[Title: Rich Grasslands are Prerequisite for Developing Livestock Farming; Deputy Xu Peng (6079 7720) on Grasslands Development; by Central People's Broadcasting Station reporter Lu Keyi (4151 0344 0001) and XINHUA correspondent Li Heping (2621 0735 1627)"—XINHUA headline]

[Text] Beijing, 6 Apr (XINHUA) — Many of our pastoral areas are still using the traditional and outdated production method of breeding livestock off nature. In this connection Deputy Xu Peng, a renowned grasslands expert and president of Xinjiang 1 August Institute of Agricultural Sciences, pointed out that the improvement and development of grasslands are preconditions for developing livestock farming.

Xu Peng told the reporters: The 6 billion mu of grasslands in the country are a natural resource that covers the largest area, is the most widely distributed, and has the most far-reaching ecological and environmental impact. It is also a means of livestock production that uses little energy, requires little production cost, and is vitally important to the development of our macroagriculture, especially the animal husbandry economy in the minority regions.

The old professor, in his 60's, spoke with a worried look: Our edge in grasslands resources and the development of grasslands have long been denied the attention they deserve. Coordination between the upper and lower levels in matters regarding grasslands and the economy in pastoral areas has been weak; investment in grasslands has been slim, averaging less than 0.01 yuan per mu yearly. Predatory operations over the years have resulted in damage to the vegetation and a deterioration in ecological conditions. The rate of desertification, deterioration, and salinization of the grasslands has far exceeded the pace of its development and improvement, with an annual deficit of over 10 million mu. The deteriorating environment has led to frequent natural disasters, causing the herdsman to continue using their outdated production method of moving from one place to another in search of water and grasslands and breeding livestock off nature, hampering the improvement of economic and cultural life in the pastoral areas.

Xu Peng suggested: We should pay attention to the economic, ecological, and social benefits of the grasslands resources; take the grasslands as the foundation for developing livestock farming; and earnestly protect and develop the grasslands. At the same time, we should also strengthen leadership, increase investment, and set up a separate entry for grassland development in the state plan. At the same time, we should set up a grasslands development fund for pastoral areas and improve the related infrastructures. We should strictly enforce the "Grasslands Law" and persist in administering grasslands in accordance with the law. We should speed up

the development of grasslands through science and technology, rationally utilize natural grasslands, vigorously carry out artificial grass plantation, and develop fenced grasslands to gradually break away from outdated production methods.

Wang Bingqian Urges Implementation of 5-Year Plan

*HK1504031591 Beijing RENMIN RIBAO in Chinese
6 Apr 91 p 2*

[Report by XINHUA reporter Sun Jie (1327 2638) and staff reporter Pi Shuyi (4122 2885 5030): "Wang Bingqian Urges Financial Departments to Ensure Implementation of Eighth Five-Year Plan"]

[Text] Beijing, 5 Apr (RENMIN RIBAO)—State Councillor and Finance Minister Wang Bingqian said today at the plenum of the Henan delegation during the Fourth Meeting of the Seventh National People's Congress [NPC]: Although some difficulties exist in financial departments at all levels, it is still necessary to guarantee fully that the "Eighth Five-Year Plan" will be implemented and completed. This is an important thing that has a bearing on whether or not the national economy will develop in a sustained, steady, and coordinated way, and on China's long-term stability and peace.

Wang Bingqian said: At present, the growth rate of financial income is not low. However, expenditure increases are still larger than income increases because there are justifiable needs. Moreover, the question of the improper use of funds also exists. It has not been easy for us to earn our money, so we should be frugal and insist on leading a thrifty life. He said: There are too many organizations and nonproductive personnel now. During the "Eighth Five-Year Plan," we will make great efforts to reduce their numbers and stress their quality. Moreover, we will carry out reform in the social security system. Wang Bingqian said: When our production has developed, and when we can afford to make a big "cake," the state still has to save more money. Only in this way will the state be able to do some great things that will have an effect on the overall situation for national economic development.

Wang Bingqian said: From now on, we should frequently and regularly report to the NPC about how the state budget is being administered so that we will have the NPC's timely guidance and supervision.

Official Discusses Foreign Enterprise Income Tax

*HK1104105991 Beijing RENMIN RIBAO in Chinese
3 Apr 91 p 2*

[Article by staff reporters Wang Jin (3769 6210) and Wang Yongfu (3769 0737 6346): "An Important Law To Promote Opening Up—Gu Ming Talks About Income Tax Law (Draft) for Foreign-Invested Enterprises and Foreign Enterprises"]

[Text] On 2 April, the "PRC Income Tax Law (Draft) for Foreign-Invested Enterprises and Foreign Enterprises," signed by Premier Li Peng and proposed by the State Council, was put before the deputies to the Fourth Session of the Seventh National People's Congress [NPC]. Why was this law formulated? What is the difference between this law and the previous foreign-related tax law? With these questions in mind, these two reporters interviewed Comrade Gu Ming, NPC Standing Committee member, deputy director of the NPC Law Committee, and president of the Chinese Economic Law Research Society.

At the beginning of the interview, Gu Ming recalled his participation in drafting China's first foreign-related economic law. After the 11th CPC Central Committee's Third Plenary Session forwarded the reform and opening up policy, China urgently needed to formulate a law on "Sino-foreign joint ventures" to encourage foreign investments. For this reason, the NPC Standing Committee formed a drafting group, with Peng Zhen as leader and Gu Ming in charge of drafting work. At that time, there was no precedent to go by in running joint ventures between socialist and capitalist countries. They surveyed joint ventures in capitalist and developing countries, and boldly introduced what benefited China and applied it in light of the country's conditions. In only four months, they drafted the "Sino-Foreign Joint-Venture Enterprise Law." This law was approved and put into effect by the Fifth NPC's Second Session in July 1979, thus encouraging the establishment of joint ventures. Subsequently, the NPC approved and put into force the "Sino-Foreign Joint-Venture Income Tax Law" in June 1980 and the "Foreign Enterprise Income Tax Law" in December 1981. These three laws, together with the subsequently approved "Foreign-Invested Enterprise Law" and "Sino-Foreign Cooperative Enterprise Law," constitute a legal system with Chinese characteristics.

As Gu Ming pointed out, in comparison with the original two income tax laws, this new law has the following outstanding characteristics:

- Single proportional tax rates have been adopted. The purpose is to make tax rates easy to understand and to facilitate accounting for foreign businessmen.
- Tax rates have been lowered. Enterprises' income tax rate is 33 percent, with a minimum rate of 15 percent. These are the lowest by international standards and are also the most preferential in the surrounding countries and regions.
- There are more complete stipulations on lowering income tax rates. Apart from introducing tax reductions to enterprises in special economic zones, as well as enterprises in economic and technological development areas and open coastal regions, the following provision has been added: "Foreign-invested enterprises in State-Council-designated regions, other than the above-mentioned zones and areas, are entitled to a 15-percent income tax reduction, as long as these

enterprises engage in energy, traffic, port, and harbor development or the construction of other projects encouraged by the state; the State Council will provide detailed methods."

—Preferential treatment will be provided along with punishment. Violations of this tax law will be subjected to fines. This new law provides detailed stipulations on the imposition of fines on different violations.

These two reporters asked: What if foreign-invested enterprises find the former tax law more advantageous? Gu Ming replied smilingly: This point was taken into consideration when drafting this new law. The general principle is "observing the new and providing preferential treatment." Foreign-invested enterprises set up before the announcement of this new tax law will abide by the provisions of this new law. Tax payments, reductions, and exemptions or preferential treatment for foreign-invested enterprises will proceed according to the former laws and regulations during the validity of already-signed contracts.

Gu Ming concluded: Taken as a whole, the new draft tax law is more complete, rational, and preferential. It will be more appealing to foreign businessmen. It tells the world that China has expanded the scope of opening up rather than narrowing it. I believe this new law's adoption will effectively promote the smooth development of economic and technological cooperation and exchanges between China and other countries.

Aircraft Manufacturer Expects More Orders

HK0604071491 Beijing CHINA DAILY in English
6 Apr 91 p 2

[By staff reporter Zhang Yu'an]

[Text] A leading Chinese aircraft manufacturer is expecting a breakthrough in overseas orders this year. CHINA DAILY learned yesterday.

"We're confident that the Yun-7-200 plane, a 58-seat freight and passenger airliner, will succeed on the world market," said Xiao Zhengcheng, party secretary of the Xi'an Aircraft Company (XAC) in Shaanxi Province.

Xiao, a deputy to the Seventh National People's Congress (NPC), is currently in Beijing attending the NPC's Fourth Plenary Session.

He told CHINA DAILY that companies in Latin America, Southeast Asia, the Middle East and the Soviet Union had held talks concerning buying the XAC's aircrafts.

Some of the negotiations "have reached the substantial stage," Xiao said, though he declined to specify with which countries.

The Yun-7-100 is the only medium and short range passenger and freight plane China manufactures. Seventy such planes are in service at present.

Last year, a revamped model—the Yun-7-200 B—had its maiden flight.

The improved model is equipped with electronic navigation systems made in the United States. It is 535 kilograms lighter than the original model. Furthermore, the new model's flight range is greater by 300 kilometres and its commercial transport ability is larger by 300 kilograms.

At the same time, Xiao said, the runway requirement of the improved model was 300 to 1,500 metres shorter than the old model's requirement.

Xiao is hopeful that the Yun-7-200 B will become one of the major airliners serving Chinese airlines for medium and short-range flights. He said industrial production of the model is expected to start next year.

XAC was presently developing another model—the Yun-7-200 A, which would be equipped with two US-made engines and would be 1 ton lighter than the older models, Xiao said.

The model, which is expected to be in production in 1993, might become the company's major exported aircraft due to its increased transport ability and flying distance as well as other improvements, Xiao said.

He said that Yun-7 aircraft were competitive because of their reasonable prices and quality.

Prices of XAC's present Yun-7-100s and the future Yun-7-200s are 50 per cent to 40 per cent lower compared with similar models made by other countries, he said.

The Yun-7-100 has a record of flying 180,000 hours without an accident.

Xiao said his company was ready to co-operate with foreign counterparts in the form of joint ventures or co-production to develop and produce other new airplane, or improve its Yun-7 models.

At present, a Soviet firm is expressing interest in buying planes from XAC and jointly developing a new model. Xiao said, adding his company was also in contact with a manufacturer from Western Europe. He did not name the company.

At present, XAC is involved with the Messerschmidt-Boelkow-Blohm (MBB) of Germany in developing the MPC-75—a 90 seat airliners.

Xiao said his company recently bought technology from the German firm.

A survey by XAC shows that domestic demand for Yun-7 aircraft in the Eighth Five-Year Plan period (1991-95) will be slightly more than 80 planes and a similar figure is predicted for the 1996-2000 period, Xiao said.

Political & Social**Yang Shangkun Appearances, Duties Reported****Hospitalized for Influenza**

HK1304005291 Hong Kong SOUTH CHINA MORNING POST in English 13 Apr 91 p 1

[Text] China's President Mr Yang Shangkun was admitted to hospital with influenza and had to cancel appointments yesterday afternoon.

The Communist Party Chief, Mr Jiang Zemin, told visiting Papua New Guinean Prime Minister Mr Rabbie Namaliu that "because of influenza, President Yang could not see you according to schedule. He wants me to send you his regards".

Mr Namaliu said Mr Yang was admitted to hospital but he did not know the nature of the illness or how serious it was.

China's Foreign Ministry declined to comment.

Mr Yang, 84, met the new ambassador from Iceland yesterday morning.

He also paid a farewell call on Peruvian President Mr Alberto Fujimori shortly after midday, a Peruvian Embassy spokesman confirmed.

"He looked very fine when I saw him," the spokesman said.

"I didn't notice anything strange about his health."

"He drank champagne with us, chatted and joked," a Peruvian diplomat at the meeting said.

Mr Yang looked fit on national television last night, which showed him talking to Mr Fujimori.

Mr Yang spent some time in hospital last June with acute appendicitis.

On at least two occasions since then, he has privately told visitors that he intends to step down from the presidency soon.

Analysts say, however, that senior leader Mr Deng Xiaoping has persuaded Mr Yang, a close friend and ally, to keep his more powerful job of First Vice-Chairman of the Central Military Commission.

Mr Deng, 86, wants Mr Yang to help ensure that the former's chosen successor, Mr Jiang, will win the power struggle that may break out after the patriarch's death.

Mourns Death of Chen Yuanshan

OW1304033691 Beijing XINHUA Domestic Service in Chinese 0312 GMT 12 Apr 91

[Excerpt] Beijing, 12 April (XINHUA)—Comrade Chen Yangshan, an exemplary Chinese Communist Party member, a long-tested and loyal fighter for communist, a proletarian revolution, an outstanding leader at China's

front line of politics and law, former deputy procurator general, and a member of the advisory committee and of the consultative committee, died of illness, without any response to medical treatment, in Beijing on 22 February 1991 at the age of 85.

Comrade Chen Yangshan's remains were cremated at the Babaoshan Cemetery for Revolutionaries today. In compliance with his wishes while he was alive and the opinions of his kinfolk, Comrade Chen Yangshan's funeral arrangements were simple. Neither a ceremony for paying respects to his remains, nor a memorial service was held for him.

Yang Shangkun, Chen Yun, Peng Zhen, Qiao Shi, Bo Yibo, and others called Comrade Chen Yangshan's family to express their condolences and mourn his death.

Huang Huoqing, Liu Fuzhi, and others called on Comrade Chen Yangshan while he was in the hospital. [passage omitted]

Signs Income Tax Law

OW1404023491 Beijing XINHUA Domestic Service in Chinese 2008 GMT 13 Apr 91

[Text] Beijing, 14 April (XINHUA)—People's Republic of China Presidential Order No. 45:

The "Income Tax Law of the People's Republic of China Governing Enterprises With Foreign Investment and Foreign Enterprises," adopted by the Fourth Session of the Seventh National People's Congress on 9 April 1991, is hereby promulgated and takes effect as of 1 July 1991.

[Signed] Yang Shangkun, president of the People's Republic of China

[Dated] 9 April 1991

Signs Civil Procedural Law

OW1304080591 Beijing XINHUA Domestic Service in Chinese 0036 GMT 13 Apr 91

[The People's Republic of China's Presidential Order No. 44]

[Text] Beijing, 13 Apr (XINHUA)—The "Civil Procedural Law of the People's Republic of China," adopted by the Fourth Session of the Seventh National People's Congress on 9 April 1991, is hereby promulgated and takes effect as of the date of promulgation.

[signed] Yang Shangkun, President of the People's Republic of China

[dated] 9 April 1991

Li Peng Signs Decree on Housing Relocation

OW1404025191 Beijing XINHUA Domestic Service in Chinese 2013 GMT 13 Apr 91

[Text] Beijing, 14 April (XINHUA)—People's Republic of China State Council Decree No. 78

The "Regulations on Dismantling and Relocating Urban Housing," adopted by the 76th executive meeting of the State Council on 18 January 1991, is hereby promulgated and will take effect on 1 June 1991.

[Signed] Li Peng, premier

[Dated] 22 March 1991

Xu Dunxin Named Vice Foreign Minister

OW1404004191 Beijing XINHUA Domestic Service in Chinese 2013 GMT 13 Apr 91

[Text] Beijing, 14 Apr (XINHUA)—The State Council recently named Xu Dunxin as a vice minister of foreign affairs [formerly assistant to the foreign minister and director of the Foreign Ministry's Department of Asian Affairs].

Chen Yun, Others Send Wreaths to Funeral

OW1304200691 Beijing XINHUA Domestic Service in Chinese 1345 GMT 12 Apr 91

[Excerpts] Wuhan, 12 April (XINHUA)—A ceremony to pay last respects to the remains of Comrade Song Kanfu, an outstanding CPC member, a long-tested and loyal communist fighter, a proletarian revolutionary, an exceptional activist in China's workers' movement, former member of the Advisory Commission of the CPC Central Committee, and vice chairman of the All-China Federation of Trade Unions [ACFTU], took place at the Wuchang Funeral Parlor this morning.

Comrade Song Kanfu died of illness in Wuhan on 4 April 1991. He was 81.

Chen Yun, Li Xiannian, Wang Zhen, Bo Yibo, Song Renqiong, Wu Xiuquan, Chen Pixian, Ni Zhifu, Wang Renzhong, and Chen Zaidao sent wreaths to the ceremony.

At the request of the Central Advisory Commission, Han Ningfu attended the ceremony in behalf of the commission. Song Yiping, member of the National People's Congress Standing Committee; Zhang Ruiying, ACFTU vice chairman; and Jiang Yi, former ACFTU vice chairman, also made a special trip to Wuhan to attend the ceremony.

Also present at the ceremony were Guo Shuyan, governor of Hubei; Zheng Yunfei, secretary of the Wuhan Municipal Party Committee; Zhao Baojiang, mayor of Wuhan; leaders of armed forces stationed in Wuhan; members of the Central Advisory Commission in Wuhan; and representatives of veteran comrades and people of all walks of life, totalling more than 500 people.

Guan Guangfu, secretary of the Hubei Provincial CPC Committee, reported on Song Kanfu's life. [passage on Song's revolutionary life and official posts omitted]

The Central Advisory Commission, the Organization Department of the CPC Central Committee, ACFTU, the Fujian Provincial Party Committee and Provincial Government, the Hubei Provincial Party Committee and its Advisory Commission, the Hubei Provincial People's Congress and the Provincial Government, the Hubei Provincial Committee of the Chinese People's Political Consultative Conference, the Hubei Provincial Military District, the Third Department of the General Staff Headquarters, party and government organizations in Wuhan, trade union councils of Hubei and Wuhan, the Hangzhou Municipal Party Committee and the Municipal Government, the Shashi Municipal Party Committee and the Municipal Government, and the municipal party committee and municipal government of Jiangxi's Pingxiang City, the hometown of Comrade Song Kanfu, also sent wreaths to the ceremony.

Jiang, Other Leaders Pay Respects to Cheng Zihua

OW1004211591 Beijing XINHUA in English 1622 GMT 10 Apr 91

[Text] Beijing, April 10 (XINHUA)—More than 1,000 people including senior party and government leaders today paid their last respects to the remains of Cheng Zihua, a revolutionary veteran who died on March 30 at the age of 86.

Among the mourners were Jiang Zemin, Yang Shangkun, Li Peng, Wan Li, Qiao Shi, Yao Yilin, Song Ping and Li Ruihuan, all of whom presented wreaths to the dead.

In an obituary, Cheng was described as an outstanding Chinese Communist Party (CPC) member, an outstanding PLA [People's Liberation Army] military commander and political instructor, and an outstanding leader in the economic sector.

Cheng was a member of the Standing Committee of the CPC Central Advisory Commission.

A native of Yuncheng City, Shanxi Province, Cheng joined the CPC in June 1926, the year he was admitted to the Wuhan branch of the Whampoa Military Academy in December.

During the second revolutionary civil war (1927-1937), Cheng served as the commander and the political commissar of the 25th Army of the Chinese Red Army.

During the anti-Japanese War (1937-45), Cheng served as the acting Shanxi-Chahar-Hebei Military Area commander and political commissar.

He took part in many campaigns as military commander prior to the liberation of the country.

After the founding of the People's Republic, he took many key posts at provincial and ministerial levels, including the post of minister of civil affairs.

Bo Yibo, Chen Junsheng Visit Beijing Exposition

OW1204214991 Beijing XINHUA Domestic Service in Chinese 1141 GMT 12 Apr 91

[By RENMIN RIBAO reporter Liu Xiao (0491 7197) and XINHUA reporter Zhang Yi (1728 3015)]

[Text] Beijing, 11 April (XINHUA)—Bo Yibo, vice chairman of the Central Advisory Commission and honorary chairman of the China Council for the Promotion of International Trade, and other leading comrades visited the Second Beijing International Exposition held at China International Exhibition Center this evening.

Bo Yibo carefully viewed the Japanese, Malaysian, Indian, Indonesian, Soviet, and South Korean counters and the Chinese light industry hall and wrote an inscription for the china and timepiece counters.

The ongoing Beijing International Exposition is the largest such exposition held by China since the republic's founding. More than 4,000 businesses from 27 countries took in the exposition, with more than 2,000 kinds of products on display. General manager of the exhibition center Lu Fengchun told visitors that transactions worth \$400 million were concluded during the first three days of the exposition, with the light industry hall accounting for more 90 percent of business. Moreover, a number of transactions involving imports were also concluded. People from all quarters are coming to the exposition in an endless stream for negotiations on trade and technical cooperation. Visitors to the exposition number about 60,000 daily. Chen Xilian, Ji Pengfei, Liao Hansheng, and Chen Junsheng also visited the exposition.

Jiang Zemin Said Extending Power

HK1004071691 Hong Kong SOUTH CHINA MORNING POST in English 10 Apr 91 p 11

[By Willy Wo-lap Lam]

[Text] Party General Secretary Mr Jiang Zemin has boosted his authority by extending his power into areas such as the Government, diplomacy and the army, according to Chinese sources.

While in the communist Chinese tradition a party chief is not supposed to be involved in economic work, Mr Jiang has repeatedly given instructions on the Eighth Five-Year Plan and the 10-Year Blueprint, drafted by State Council planners.

The plan and blueprint, endorsed by the National People's Congress (NPC) yesterday, said the nation should give priority to agriculture, energy, transportation and raw materials.

Mr Jiang, a former minister of electronics, has ruled that the development of electronic and information technology is equally important.

"We must develop electronics as eagerly as we developed the atomic bombs (in the 1950s and 60s)," Mr Jiang said.

Chinese sources said Mr Jiang was behind the recent decision, announced by Prime Minister Mr Li Peng, of making science and technology the "first priority" among "Four Modernizations". Previously, industry and agriculture had led the modernization agenda.

The sources added that associates who had worked with Mr Jiang at the old Electronics Ministry in the early 1980s had been lobbying for him to use his influence to "restore" the ministry.

In an apparent bid to streamline governmental efficiency, the Ministries of Electronics and Machine Building were merged in 1986 into the Commission for Machine-Building and Electronics Industries, with the result that both units, especially electronics, lost power.

At the same time, Mr Jiang, who is also chairman of the Central Military Commission, has been instrumental in forging closer links between the industrial ministries and such People's Liberation Army (PLA) departments as national defence research and ordnance factories.

Under directions from the party chief, government units including electronics and machine tools will spend some of their research efforts studying military applications.

He has told both army and government leaders that modern warfare means "three-dimensional, electronic warfare" and that the PLA must be assured of access to the best technology.

During the NPC session, Mr Jiang also made a major policy speech on foreign affairs, theoretically the preserve of the prime minister.

The General Secretary said Chinese officials must remain "cool-headed" in the face of fast-shifting global changes and that Beijing must adopt a defence posture.

Press photos and national television footage have also dramatised Mr Jiang's position.

Analysts say the power base of Mr Jiang, a former Shanghai mayor, has been strengthened with the promotion of two fellow members of the Shanghai faction.

Zhu Rongji Departure Aids 'Shanghai Faction'

HK1504023091 Hong Kong SOUTH CHINA MORNING POST in English 15 Apr 91 p 12

[By Willy Wo-lap Lam]

[Text] The elevation of vice-party secretary Mr Wu Bangguo and executive vice-mayor Mr Huang Ju to fill positions left vacant after Mr Zhu Rongji was made a

Vice-Premier has underscored the fast-expanding clout of the so-called Shanghai Faction in Chinese politics.

Shanghai supremo Mr Zhu has apparently laid down as one of his conditions for moving to Beijing that the city's top party and government posts be filled by his former colleagues.

This goes against the principle of the "rotation of cadres" which the Communist Party's Organization Department had promulgated soon after the Tiananmen Square crackdown.

Since then, most of the leadership of the country's provinces and directly administered cities has been reshuffled. Almost without exception, the newly-installed leaders have been transferred from other regions.

Mr Wu, 50 whose appointment as party secretary of Shanghai was announced at the weekend, has worked in the city since 1967.

And Mr Huang, 53, who is expected to be appointed mayor later this month, has spent his entire career there.

Shanghai has always had a disproportionately large representation in the nation's top echelons.

For example, the Gang of Four radicals, who held sway during the Cultural Revolution of 1966-76, all hailed from Shanghai.

Never since 1949, however, have so many cadres who were either born in Shanghai or who have worked in the city occupied so many top positions.

Two of the six members of the Politburo Standing Committee are members of the Shanghai clique—General Secretary Mr Jiang Zemin and head of the security establishment Mr Qiao Shi.

Aside from Mr Zhu, the two other promotions endorsed by the National People's Congress last week involved members of the faction.

New Vice-Premier Mr Zhou Jiahua was born in Shanghai. Foreign Minister Mr Qian Qichen, who was promoted to State Councillor, first made his mark as a student leader in the city.

Moreover, given their relative youth, both Mr Wu and Mr Huang are candidates for promotion to central-level positions.

Chinese sources said the patriarch, Mr Deng Xiaoping, had thrown his weight behind the fast-expanding faction in order to rein-in the conservative central planners.

The latter, led by Prime Minister Mr Li Peng, are particularly well entrenched in the State Council, or central Government.

"Being a victim of the Gang of Four, Deng Xiaoping was during the early part of his tenure very wary of politicians with Shanghai connections," a source said.

"After Tiananmen Square, however, the patriarch has no choice but to rely on the Shanghai Faction, which provides the only alternative to the central planning-oriented bureaucrats in the State Council."

Deng Xiaoping's Official Activities Detailed Suggests Elders Limit Comments

HK1004034991 Hong Kong CHING PAO in Chinese No 165, 10 Apr 91 p 41

[Article by Ming Li (2494 778): "Deng Wants Gerontocrats to Give Fewer Instructions"]

[Text] According to a disclosure by an informed source, while spending the Spring Festival in Shanghai, Deng Xiaoping told Yang Shangkun: Now that the central leadership group with Comrade Jiang Zemin at the core can be said to be a united group and powerful group with prestige, we can lay down our burden and rest assured. Let them go ahead! Deng said he had two facts to go by in making these remarks: One is the implementation of party policies and principles that has helped solved many problems; the other is the support of people in and outside the party and that party policies and principles conform with the interests of the people and the country.

This informed source indicated that at a Political Bureau meeting around the Spring Festival, Yang Shangkun said he had brought a message from Deng Xiaoping, which reads: I hope elderly comrades will take the initiative in making fewer comments in public. Making too many comments is not good. Whom should the lower levels listen to? In my opinion, it is good for them to make fewer comments and suggestions and give less instruction. This will serve to support the central leadership group. I told them (Political Bureau Standing Committee members) this: You are at the helm now. You can judge whose speeches and instructions are favorable to the Central Committee's work, that should be followed and transmitted to the lower levels. Do not feel embarrassed. Why feel embarrassed? There is only one Central Committee, the leadership group with Comrade Jiang Zemin at the core.

This informed source added that during his stay in Shanghai, Deng Xiaoping read a speech made by Wang Zhen to a Guangdong military unit during an inspection tour of the province. After reading it, Deng Xiaoping told Yang Shangkun: Who wrote the text of his speech? Some of what he said had been negated and criticized in the past. Why was it still transmitted and disseminated? I told Wang Zhen to pay attention. They (the new leadership group) respect us very much. We should be cautious. Yet he still likes to make speeches.

Sets Tone for Meetings

HK1204015391 Hong Kong CHING PAO in Chinese No 165, 10 Apr 91 pp 26-27

[Article by Chuang Meng (8369 5536): "Political Veterans Gather in Shanghai To Set Tone for Two Meetings"—first three paragraphs are CHING PAO introduction]

[Text] Deng Xiaoping and other political old men gathered in Shanghai during the Spring Festival. They set the basic tone of "reform and opening up, develop the economy" for the National People Congress [NPC] session and the Chinese People's Political Consultative Conference [CPPCC] session.

The ideological departments have always been on the alert. RENMIN RIBAO began to adopt the methods used during the 1957 anti-rightist struggle and the Cultural Revolution and transferred the editors who had committed the mistake of bourgeois liberalization to other departments or areas outside of Beijing.

Li Tieying instructed Beijing University: "All party members who insist on the stand of bourgeois liberalization should be expelled from the party and from the teachers' ranks." [end introduction]

The Fourth Sessions of the Seventh NPC and CPPCC were held from 23 and 25 March. Prior to the two meetings, there was not a plenary meeting of the CPC Central Committee, as people had expected. This was a rare phenomenon in the past years. It shows that top-level leaders were full of confidence in the meetings. Many worrisome problems of the past years, such as education, the legal system, officials engaging in speculation and profiteering, corruption, intellectuals, and democracy, lessened in importance and did not constitute any threat to the meetings. The main subject for this year was only discussion and examination of the Eighth Five-Year Plan and the 10-Year Program. They were expected to be approved by acclamation.

Is this a gratifying or a worrisome phenomenon? It seems that the common people are not showing much concern for the meetings. This shows that since the "4 June" incident, various political factions in the top-level leading body of the CPC are now at a low tide and have reached a new balance after sharp political struggles. A symbol of this occurred at the Seventh Plenary Session of the 13th CPC Central Committee held at the end of last year, the reformists and conservatives reached a common understanding on the question of economic structural reform.

Shanghai Gathering Aims at Setting Tone for the Two Meetings

Deng Xiaoping spends the Spring Festival in Shanghai every year. This year, the political old men again gathered in Shanghai, not only including Peng Zhen, who is already 88, but also Bo Yibo, who fell ill in Shenzhen in January and was escorted back to Beijing by Li Hao. As a matter of fact, the gathering of the political old men was another small-scale meeting of the top-level CPC leaders for harmonizing opinions. Deng Xiaoping mainly talked about China's economy, including the development of Pudong. As the word "development" appeared in his remarks, it was soon quoted and used by RENMIN RIBAO in its reports. Recently, RENMIN RIBAO opened a new column for discussing economic issues and carried an article by He Xin, a new CPPCC

member, entitled "Tl., World Economic Situation and China's Economic Problems." This column was then named "Only Socialism Can Develop China." The idea of "development" was first published by Beijing's JINGJIXUE ZHOUBAO [ECONOMICS WEEKLY JOURNAL] in the autumn of 1988. At that time, in view of the deteriorating economic situation, some young and middle-aged scholars made a summary of the 10 years of reform. They criticized neglect of development during the reform and pointed out that our objective should be development, rather than reform. Just as many competitors in the 1980 election campaign were absorbed by the "Resolution on Certain Questions in History," many ideas of reformist intellectuals prior to "4 June" were being accepted and absorbed by policy-makers.

In Shanghai, Deng Xiaoping once again criticized the failure to do economic work well. It was said that this time, Li Xiannian agreed. He said: "It seems he is not so competent either." [sentence as published] To increase economic returns, the current method is the same pursued previously by Zhao Ziyang, that is, to expand credit. According to estimates of economics circle, the price index increase will reach 5 percent at the end of this year and 10 percent at the end of next year. This 10 percent is also the limit generating people's runs on banks and panic purchasing. Then what will happen to China's economy, which relies mainly on savings deposits and extending credit?

The basic tone of the two meetings this year is reform, opening up, and economic development. Economic affairs are handled by men, and men's appointments and dismissals are normal changes. Perhaps, the most attractive personnel change this year is the election of Guangdong Governor Ye Xuaping as vice CPPCC chairman.

Zhao Ziyang: After Playing Golf

On 4 September last year, Zhao Ziyang went to a golf course in Shunyi county, that was built with Japanese investment, and was seen by foreign reporters. The relevant report was then transmitted to Hong Kong by ZHONGGUO XINWEN SHE and created a furor at that time. Since then, there has been no news about Zhao Ziyang. What is the reason for this?

On 3 September last year, Zhao Ziyang told his personal secretary that he wanted to have a car and go out. On the following day, as soon as he got the car, he went to the golf course and played golf there. After he came back, the person in charge of the security department said: "For security reasons, if you wish to go out for a walk, you had better do it somewhere near here. If you go far away, it will be difficult for us to do security work." In fact, the security cadre meant to set a range for Zhao Ziyang's actions. ZHONGGUO XINWEN SHE, transmitting the news, was also investigated.

Since then, the door of Zhao Ziyang's residence has always been heavily guarded. Even visiting doctors are carefully checked. It is said that Zhao Ziyang is not even as free as Hua Guofeng now.

Deng Xiaoping also mentioned Zhao Ziyang on the eve of the Seventh Plenary Session of the 13th CPC Central Committee. He said: "Zhao Ziyang's contributions still outweighs his mistakes." This may possibly serve as an official assessment for Zhao.

Truth About the Dismissal of Two Ministers

At the 18th meeting of the NPC Standing Committee, that ended on 2 March, Lin Hanxiong, minister of construction, and Qian Yongchang, minister of communications, were both dismissed from their posts. The reason was that they had violated discipline and taken advantage of their power to seek private gain. This decision produced certain repercussions in society. People in the know revealed that Lin had committed greater mistakes than Qian, because his mistakes were in "views" while the latter's were in "economic affairs."

Lin's main mistakes were: 1. Providing materials for the novel "White Snow, Red Blood" and helping find ways for its publication. Lin Hanxiong is a son of Zhang Hao, Lin Biao's elder brother and the second highest CPC leader in the White area, second only to Liu Shaoqi. Zhang Hao died in Yanan during the War of Resistance Against Japan. At that time, Mao Zedong and the other four Standing Committee members of the Political Bureau of the CPC Central Committee attended his funeral and carried the coffin. 2. Being unenthusiastic in work after "4 June" and intentionally protecting some university graduates working in his ministry.

Qian Yongchang was once captain of a ship. It was said that when he was minister of communications, he earned commissions from selling ships amounting to \$1.5 million. Now his wife and son are in the United States, and his son is running a private company there. He also had a passport. When his case was discovered, he tried to flee the country but failed, because his passport was taken back by Luo Gan, secretary-general of the State Council. His case has been under investigation for two years, but there is still no proof even to this day.

The Ideological Departments Have Always Been on the Alert

Since "4 June," the ideological departments have always been on the alert. RENMIN RIBAO began to adopt the methods used during the 1957 Anti-Rightist Struggle and the "cultural revolution" and has transferred some deputy chief editors, directors, and deputy directors of some departments, and some ordinary editors and staff who committed the mistake of bourgeois liberalization from the newspaper office or Beijing to other departments and areas. Gao Di, director of RENMIN RIBAO, said that the personnel transfer was made in accordance with the spirit of a speech on personnel exchange delivered by Lu Fengyuan, director of the Organizational Department of the CPC Central Committee, at the national meeting of directors of organizational departments of all provinces, municipalities, and autonomous regions, held on 7 January this year.

On 15 March, when inspecting work in Beijing University, Li Tieying, minister of State Education Commission, gave the following instruction: "All those who insist on the stand of bourgeois liberalization should be expelled from the party and from teachers' ranks." In Beijing University, there were still cases involving some teachers that had not yet been handled. The teachers were: Yuan Hongbing, Zhu Shanli, and Chen Yuguo. They would be handled in April, indicating completion of the screening work in the university. After that, the university would continue to readjust the structure of middle-level cadres (the cadres in charge of various departments).

It was learned that in a letter, Chen Yun approved the reregistration of party membership of four members of the Central Advisory Commission. At that time, this had been done for three of them, but not Yu Guangyuan of the Academy of Social Sciences of China. Recently, it was said that someone had written a letter to the Central Committee asking "why should Hu Jintao be punished but not Yu Guangyuan?" After reading the letter, Bo Yibo said: "Yu Guangyuan should also be punished." Then he was reminded that "it was Comrade Chen Yun who agreed to have his party membership reregistered." Later, Chen Yun was heard to remark as follows: "I only said that his party membership can be reregistered. This does not mean that he should not be punished." A leader of the Academy of Social Sciences said: "Whether to give Yu Guangyuan punishment is a matter of the Central Advisory Commission." Did he also mean that the reregistration should be done by the Central Advisory Commission as well?

Inscribes History Book Title

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in Mandarin 2200 GMT 14 Apr 91

[Text] A book entitled *Enlightening Centuries and the East China Cemetery of Revolutionary Martyrs* was published by the Party History Publishing House under the CPC Central Committee recently.

Comrade Deng Xiaoping wrote the title of the book. Jiang Zemin, Li Peng, Gu Mu, Jiang Chunyun, and Zhao Zhihao each wrote inscriptions for the book.

The East China Cemetery of Revolutionary Martyrs was built in February 1949. The huge monument was engraved with 62,576 martyrs' illustrious names.

The book chronologically and systematically introduces the major revolutionary historical events that occurred in Shandong and East China with the focus on the Yimeng Mountain Area. The recounts the achievements of some proletarian revolutionaries of the older generation, including Liu Shaoqi, Chen Yi, Xu Xiangqian, and Luo Binghui, in guiding the soldiers and people to wage the revolutionary struggles.

Reveals Concerns About Leadership

*HK1304052791 Hong Kong CHING PAO in Chinese
No 165, 10 Apr 91 pp 30-34*

[Article by Sun I-Liang (1327 1355 5328); "Deng Xiaoping Thinks of China's Future; Personally Gives Jiang, Li, Yang Eight Confidential Instructions"—first paragraph is CHING PAO introduction]

[Text] Deng Xiaoping: A good system makes people unable to abuse their power; a bad system makes good people unable to do good things, or even makes them go the opposite way.

After the "4 June" incident, the "stability" Deng Xiaoping wanted very much to see seems to be a reality on the mainland today. He has fully supported Jiang Zemin and Li Ruihuan, and he also praised the work by Li Peng and Yao Yilin in the State Council. Deng does not want to see any big changes in this political pattern, saying "changes will not be allowed in the next two, three years."

Deng Gives Eight Confidential Instructions in Person

In December 1990, on the eve of the Seventh Plenary Session of the 13th CPC Central Committee, Jiang Zemin, Yang Shangkun, and Li Peng went to Deng Xiaoping's residence to report to him on the preparations for the plenum; Deng Xiaoping made a long speech, summarized as follows:

- 1) He is satisfied with the work of the Political Bureau and the State Council.
- 2) He thinks China's stance during the Gulf war is appropriate, and China's abstention at the UN Security Council meeting on deciding whether to use force against Iraq is "a good job," saying that "China will not play a leading role [bu dang tou 0008 3981 7333] in the socialist world, nor in the whole world; this should be China's long-term policy."
- 3) China should continue to uphold reform and opening up; this image should not be abandoned, and China should be more open.
- 4) The difference between socialism and capitalism is not in whether planned economy is developed, or in whether commodity economy and market economy is developed; it is in whether there is a big gap between the rich and the poor, and in whether we can concentrate our strength to achieve big things in a comparatively short period of time. To solve these two problems, we must rely on the leadership of the party.
- 5) Among China's core problems, the priority problem is to carry out economic construction. If this problem is not properly solved, socialism will have big trouble in not only in the world, but also in China. This problem should always be clearly perceived and tackled persistently.
- 6) The problem of Zhao Ziyang is that he has supported the turmoil, but other problems should not be mentioned

any more, at least not in the next two or three years. He has done much work in reform, making mistakes and achievements as well. I must also be held responsible for some of the mistakes, but this is a work problem. You say I am the chief architect of the reform, so Zhao Ziyang was at least a chief engineer. Another point is that we must consider the problem of continuity of the policy of reform and opening up. When someone makes a mistake, old accounts should not be resettled. If we resettle old accounts like that, the history of the CPC will be hard to tell. If we resettle old accounts like that, then from Chen Duxiu, Mao Zedong, Zhou Enlai, Hu Yaobang, to Zhao Ziyang, none of them were good men. Then we would have no way to write the history of our party. We must not learn from the Soviet Union, where they resettled the old accounts of Stalin and Lenin, who were described as no good. What kind of image is that? You must remember this.

7) I must also mention here that the party must be united, and the core is Comrade Jiang Zemin. No one is allowed to form small cliques or schools. Chairman Mao was most opposed to people forming cliques; he showed mercy to me precisely because I had never engaged in this kind of thing. I have always opposed this because it really causes harm. This is a problem of party spirit, and we should not be ambiguous about it.

8) Proletarian dictatorship must be strengthened. Although there is no need to talk more, work must be earnestly done. Without proletarian dictatorship, this country will face turmoil and be divided, and others will come to bully us. Of course, the united front is also important; this is an important supplement to proletarian dictatorship. In the future, the united front should play a bigger role, especially in bringing about the country's reunification.

The Purpose of Deng Making the Speech

The above-mentioned speech by Deng Xiaoping fixed the tone for the Seventh Plenum; it was thoroughly transmitted to the plenum through Jiang Zemin's speech. The plenum's resolutions were adopted basically according to the spirit of Deng's speech. Deng Xiaoping was more or less gratified by this. A person who knows the inside story told me that Deng Xiaoping had carefully considered the situation for six months before making the speech. First, Deng wanted to prove that Zhao Ziyang's stepping down would not affect the continuous implementation of China's policy of reform and opening up. Concerning this problem, Jiang Zemin and Li Ruihuan were restrained by various factors and could not explicitly elaborate it, to the extent that the atmosphere of reform and opening up on the mainland was neither vivid nor vibrant. Therefore, it was necessary to use the chance arising from the convening of the Seventh Plenum to elaborate it personally by Deng himself.

Second, after the "4 June" incident, the power structure at the senior level of the CPC was readjusted. A great many reformists lost their power after Zhao Ziyang

stepped down. The mainland's political pattern became unbalanced, a conservative force emerged, and the reformist force declined. Meanwhile, the authoritative-ness of Jiang Zemin and Li Ruihuan have not been fully established, and it is still necessary for Deng to come out expressing his support. Third, the Seventh Plenum could not do anything about the problem of adding new members to the Political Bureau and of abolishing the Central Advisory Commission. The conservative force within the party, represented by Chen Yun, still represents a strong political restraint. Deng Xiaoping cannot sit back and let them exert influence; otherwise, the proper political balance will be lost.

Deng Xiaoping Still Has Some Worries

Judging from the present situation, this speech by Deng Xiaoping made before the Seventh Plenum has to some extent positively influenced the situation of reform and opening up on the mainland, and it seems that the political situation will become more stable. Deng Xiaoping still sees some troubles, and he knows they cannot be eliminated by one or two of his speeches. Fortunately, his health is still good; every day he can play bridge for four hours and read various reports, and every week he can meet some important political figures. In the next several years, Deng will definitely make some moves. The problem is, he must look for an opportunity to show his political "trump card."

Chen Yun's Activities Unusual

Over the past year or so, several persons and matters could not but draw Deng Xiaoping's attention.

First, Chen Yun's activities were unusual. Since Deng resigned from his last post in September 1989, he has been observing the moves by the several political old men of his generation. Li Xiannian, Peng Zhen, Bo Yibo, Song Renqiong, and Wang Zhen often went to Deng's residence and solved many problems through talks, but Chen Yun never went to see Deng, and there has been very little contact. Several years ago, Deng Xiaoping went to Chen Yun's residence; in recent years, Deng felt indisposed to walk, and did not go. The staff around Deng all think that "Chen's confidence is too big." Chen Yun did not contact Deng, but he himself was in the limelight, sometimes quite frequently, visiting someone for talks, giving instructions, and listening to reports. In particular, after the 4 June incident his activities became more frequent. He ignored Deng's political hint that the Central Advisory Commission consider its own abolition after Deng resigned from the post of chairman of the Central Military Commission. Not only did Chen himself not resign, but he also demanded that the Central Advisory Commission "continue to do a good job in advising the party Central Committee, and to keep watch." In January 1990, as usual, Chen Yun went to Hangzhou for rest, and enthusiastically talked about philosophical study with the leaders of Zhejiang Provincial Party Committee, saying that he himself had thoroughly studied the ideology of being pragmatic in the

Yenan period. He asked cadres to "obey not just their superiors and the book, just obey pragmatism," and that they should "exchange, compare, and reflect." (This is the so-called Chen Yun's 15-character "truth") He said in 1988 that when he discussed the problem of philosophical study with Hu Qili, the discussion was to "criticize Zhao Ziyang." This speech by Chen Yun was edited and corrected by Deng Liqun, who recommended it directly to RENMIN RIBAO, which carried it in a prominent position on the front page in mid-January 1991. Li Ruihuan, who is in charge of the CPC's ideological work, knew nothing about this.

Chen Yun's Purpose of Making Known the "Truth"

A staffmember who participated in the event disclosed that there are two implications in Chen Yun making known his speech on "philosophical study." First, he wanted to prove that the pragmatic line adopted by the Third Plenary Session of the 11th CPC Central Committee, and a series of policies and measures formulated thereafter, was not solely the work of Deng Xiaoping. Chen, too, had great merits, and this line had been upheld by him since the 1940's. Second, he held a different opinion on Deng's suggestion that the problem of Zhao Ziyang should not be excessively tackled. He had discovered Zhao Ziyang's problem a long time ago, and before the 4 June incident he had made known his opinion, which contradicted sharply with Deng's attitude of actively supporting Zhao Ziyang's work. Facts proved that he was also right on this. Therefore, the problem of Zhao Ziyang should not be taken so lightly, and Zhao Ziyang should be held accountable for the mistakes in his work in the Central Committee and the State Council.

Political Circles Comment on Chen Yun

After the above-mentioned speech by Chen Yun was published, strong repercussions emerged in Beijing's political and media circles. Many people said privately to me that Chen Yun wanted to fill with his own hand-picked men the vacuum of political power left behind by Deng Xiaoping's resignation from his last post. In the media field Chen's move seemed to be a preparation for an overall purge, upon the death of Deng Xiaoping, against the line of reform and opening up promoted by Deng during the past 10 years. In fact, since the "4 June" incident, through Deng Liqun Chen Yun has already grasped authority over personnel arrangements and propaganda in the CPC Central Committee Propaganda Department, RENMIN RIBAO, and the Ministry of Culture. He has supplanted Li Ruihuan's leadership of these departments. They are now becoming a small political clique where they echo each other, establish frequent contacts, and get involved in many little tricks. People call it "the second Central Committee" on the mainland.

Deng Xiaoping Exhorts Deng Liqun

The next figure who draws much attention is Deng Liqun. After Deng Xiaoping put Hu Yaobang in an

important position in 1983, Deng Liqun joined Chen Yun's ranks. He boasted about "Chen Yun's economic ideas," confronted Hu Yaobang and Zhao Ziyang for a long time, and served as a pioneer in the conservative force within the CPC. Deng Xiaoping said hello to Deng Liqun many times, asking him to "coordinate more and support the work of the new Central Committee, or at least refrain from playing a negative role." According to Deng Xiaoping's political design, the existence of some different opinions within and without the party is not totally unacceptable. So long as these different opinions do not develop into independent political factions and do not play a destructive role in economic construction, their existence will on the contrary bring about some vividness to social and political life. It can also serve to relax the "dictatorship" system that is too rigid and even becoming cruel. This is beneficial to the promotion of reform and opening up. In addition, allowing different opinions to exist within the party is also beneficial to Deng's efforts to control the struggles and conflicts among different cliques within the party, so as to strike a political balance. More importantly, after Mao Zedong died, the leading group of the CPC resembled a big family without a patriarch. To keep this family intact, the remaining several "deputy heads of the family" must maintain a certain degree of unity, while the conflicts and struggles among them should not destroy this basic political standard. There must be necessary compromise. Due to the above-mentioned consideration, Deng Xiaoping has refrained from seriously looking into the behavior of the untamed Deng Liqun.

Deng Liqun Challenges Deng Xiaoping

However, Deng Liqun, who relies on Chen Yun's and Wang Zhen's support and protection, has always been unable to hold back his own political ambition; whenever there is a chance, he will shout and charge forward. Since the "4 June" incident, he has had more chances to perform. First, he established contact with Hu Qiaomu, and gathered a group of people who had participated in writing essays during the war of words between the CPC and the CPSU before the Cultural Revolution (that is, the people of the "nine assessments," among them some literary hatchet men who had worked for the "Gang of Four"). He also gathered some of those who had worked in the CPC Central Committee Secretariat Research Office, that was abolished by Zhao Ziyang. He organized these people to write the "outline of socialist problems," to criticize the "democratic socialism" in East Europe and the Soviet Union externally and Hu Yaobang and Zhao Ziyang internally. This group also said that "China has to raise the great banner of socialism for the whole world; the historical mission of saving the socialist undertaking has already rested on the shoulders of the CPC. If we say it was premature to claim we were the 'center of world revolution' 10 years ago, then today we are totally qualified to shoulder the historical duty entrusted to this center." This was a challenge to Deng Xiaoping's advice that "we must learn the lessons and push forward economic construction as soon as possible;

at present, we are not qualified to talk about socialism's strong point." This time, Deng Liqun's move was too big, and the idea spread. But it was soon checked by Deng Xiaoping's ideas of "we must calmly watch the events in East Europe and the Soviet Union, and we should not make clear our stance so lightly;" and "we should not play a leading role in the socialist world." The trend did not become a macroclimate.

Deng Liqun Excludes Li Ruihuan

After making these moves, Deng Liqun frequently intervened in matters of the CPC's ideological domain. He excluded Li Ruihuan's leadership over the CPC's ideology, and spread the saying that "Li Ruihuan is not appropriate for leadership work in ideology, and he does not know Marxism-Leninism." He ruthlessly attacked and dismissed those who held different opinions in the important public opinion departments such as the Chinese Academy of Social Sciences and RENMIN RIBAO, arranged jobs for his own men, and established "positions in the peak," making it difficult for Jiang Zemin and Li Ruihuan to effectively exercise leadership over these departments.

During this period, RENMIN RIBAO carried some articles that tried to intensify the conflicts inside and outside the party and implicitly attacked the undertaking in reform and opening up. Some arguments that were popular 10 years ago but now have been proved totally wrong by practice are again being carried by newspapers. This is causing great ideological chaos in various localities on the mainland and casting a heavier shadow over the already stagnant situation of reform. There is a big obstacle to the mainland's reform and opening up that has been created by the public opinion controlled and manipulated by Deng Liqun and his men behind the scenes. The economic restructuring, which relies on practice, experiment, and exploration, is absorbed into a highly ideological domain. This improves the strength and position of the conservative forces within the CPC, who eventually want to replace the reform and opening up a market-oriented policy advocated by Deng Xiaoping, with Chen Yun's "bird cage economic model." These activities, carried out by Deng Liqun and his men, have interrupted the CPC's work in formulating the "Eighth Five-Year Plan" and the 10-Year Program, and obstructed the discussions on the "Eighth Five-Year Plan" and the 10-Year Program by the reformists inside and outside the party. Deng Xiaoping certainly noticed this; his speech on the eve of the Seventh Plenary Session of the 13th CPC Central Committee can be regarded in certain sense as a response to Deng Liqun and his men.

The Thing Which Angered Deng Xiaoping Most

One of the things that Deng Liqun did which angered Deng Xiaoping most is at the end of last year, at a meeting in Shanxi's Taiyuan, he talked about the so-called "struggle between lines within the party." During his speech, Deng Liqun openly suggested for the first time "the need to thoroughly study and understand

Chairman Mao's theory of continuous revolution under proletarian dictatorship," saying that this theory did not lose its "wise and great theoretical color" just because of some mistakes made by Chairman Mao during the later phase of the Cultural Revolution. He said that this theory is the "theoretical foundation of the four cardinal principles." He added that "if this theory is not upheld, the four cardinal principles cannot be upheld," and that this theory's "essence and content is, under socialist conditions and under the leadership of the CPC, to organize the proletariat in the most efficient way, to launch an overall class struggle against the bourgeoisie and its agents within the party politically, economically, and culturally, and using this as the motive force, to promote the development of social productive forces." Therefore, "it is necessary to precisely and scientifically divide the class line within socialist country and to define the targets for unity and the key point for attack. This key point is the ruling capitalist roaders within the party, and Hu Yaobang and Zhao Ziyang were such persons; they were typical capitalist roaders who were opposed to the party and socialism." Deng Liqun also said in particular that "there are indeed capitalist roaders within the party; of course, this does not refer to Comrade Deng Xiaoping."

What Makes Deng Liqun So Bold To Rise in Revolt?

This speech by Deng Liqun caused a good deal of political panic in the domain it involved. A theoretical worker in Beijing said to me: The undertaking in reform and opening up advocated by Deng Xiaoping was launched without theoretical preparation; this constitutes the biggest shortcoming of the undertaking. 1) It makes the reformist force within the CPC unable to effectively resist the interference and corrosion by "orthodox Marxism" during the practice of reform and opening up. 2) It cannot provide the reform its necessary legitimacy, to the extent that the reform continues to lose centripetal force and inspiring power, and is unable to form a strong status. 3) It cannot provide the reform with the motive force to maintain its continuity and expansion, so as to free the reform from the short-term behaviors common in the early phase and allow it to become a reform movement that has a long-term impact on social development and brings about a chain of social returns. More importantly, although Deng Xiaoping, who initiated the reform, has suggested the upholding of the four cardinal principles as a theoretical inheritance, he has been very weak in theoretical innovation. Therefore, the significance of the great changes in Chinese society to be brought about by the reform and opening up policy initiated by him cannot be elaborated and established. Thus, on the one hand, the socialism he created and understood cannot be clearly detached from the extreme fascist "socialism" of the days of Stalin, Mao Zedong, and even the "Gang of Four." On the other hand, the reform and opening up initiated by him has often been restrained and hindered by the old socialist ideology, and there is the danger that they can be swallowed up completely at any moment. Deng Liqun

precisely grasped this fatal shortcoming of Deng Xiaoping. He relied on the support of other political old men and on the strong point of the completeness of the old ideology, that is a self-sufficient system. He was not afraid to rise in revolt against Deng Xiaoping's political measures. The above-mentioned speech by Deng Liqun fully proves this point.

There Emerges an Undercurrent Purging the Reform

After Deng Liqun made his speech, some rumors and strange sayings immediately circulated within the mainland's media circles. These included such formulations as "without criticizing Zhao Ziyang, the struggle against bourgeois liberalization cannot be carried out thoroughly;" and "at present, we cannot criticize Zhao Ziyang, because we hesitate to pelt a rat for fear of smashing the dish beside it. However, when the 'dish' is finished, and the obstacle removed, settling accounts with Zhao Ziyang is something we have to do, sooner or later." Another is "the theory of continued revolution under the conditions of proletarian dictatorship is a theory 10 times superior than the theory of socialism at the initial stage. We must clarify the origin of the theory and reestablish the absolute authoritarianism of Mao Zedong thought. Then we can guarantee that the socialist system will never change its essence." An undercurrent rapidly emerges, theoretically attacking the reform and opening up policy. Deng Xiaoping has already become aware of this; however, at present, he is unable to check it entirely. He recommended Li Ruihuan to take charge of the work in the CPC's ideology, but Li Ruihuan has been excluded by the media circles controlled by Deng Liqun, while the forces which once engaged in theoretical construction for reform and opening up have already dispersed. It is certain that Deng Xiaoping must pay a price for his own negligence and shortcomings. The question is, can he try his best to reduce the price in the time left to him, so that reform and opening up become a long-term undertaking which cannot be completely negated after his death?

Deng Xiaoping on Hu, Zhao, Jiang

A staffmember who works close to Deng Xiaoping disclosed that, in more than a year since the "4 June" incident, Deng Xiaoping has kept more silence, and several times has shown some kind of emotion as if he missed someone. Deng mentioned Hu Yaobang when talking with others on several occasions and said: "Yaobang's death was regrettable, it was too early," and "Yaobang has strong party spirit, and is honest; he did silly things, but had never done bad things. He is a rare talent." When talking about this, his face showed he was sorry. Deng also commented on Zhao Ziyang, saying that Zhao Ziyang was intelligent, resourceful, capable, and career-minded, but not tough enough. It is regrettable that this weakness was visible at a crucial moment. Deng positively evaluated Jiang Zemin and Li Ruihuan, giving them encouragement and supporting their bold measures in work. As for Li Peng, Deng said he has become mature

in the past few years, a technocrat who works carefully, quite good. Then, what is it that Deng Xiaoping missed?

If we comprehensively analyze the political situation on the mainland after the "4 June" incident, we will discover that the situation facing Deng Xiaoping today is different from the situation facing him in the late 1970's when he resumed work.

The CPC Faces Two Big Problems

First, the conflict within the CPC has intensified; the party is no longer as united as in the years when it faced the "Gang of Four." Precisely by relying on such unity, Deng Xiaoping was able to rapidly replace Hua Guofeng to become the leadership core of the second generation. In a wider scope and more profoundly, he was able to break through the huge obstruction caused by Mao Zedong's mistakes in his later years, and thoroughly and systematically propose and carry out the reform and opening up policy. Precisely because of such unity, the CPC was able to use the method of steady transition to solve the major social and economic problems, such as the problem of "contracting output quotas to households with the production team conducting unified accounting," a very acute and sensitive problem at that moment. Of course, such unity within the party also originated from the fact that Deng Xiaoping and Chen Yun were the generation of those who together "fought to establish the nation," and the fact that this made the party's political legitimacy more acceptable to the people on the mainland.

But such unity no longer exists today. The "4 June" incident has intensified the conflict between the two forces within the party. Various forces developed within the party, and there was the demand for a more rigidly democratic procedure for inheriting power. These factors became more acute and pronounced when the problem of choosing the third-generation leadership core was tackled. Because the old ideology is not welcomed by the great masses of cadres, it has become a thing that a minority of people who have power force others to accept, and it has therefore lost its function of integrating the will of the whole party.

Second, the conflict between the CPC and the people has expanded and deepened. The market factors which grew out of the economy during a decade of reform, the democratic notion which grew out of politics, and the opening concept which grew out of the culture, are things which cannot be absorbed into the old political and economic systems built by the CPC. The "4 June" incident developed into a bloody and violent crackdown on the people. This fully illustrates how acute is the confrontation between the mainland's political system and the people's demands and how much the system has lost its political ability to integrate with the people's will, wishes, and demands!

The roar of guns on 4 June further deepened the three confidence crises among the people. After the "4 June" incident, corruption has not been checked, making people more skeptical about the CPC's ability and sincerity to rectify corruption. If the CPC cannot rely on reform to

change its own corruption and the bad effect it has on the society, it cannot avoid the people's doubts and questions about its power basis and power structure. This kind of confrontation and conflict between the CPC and the people is the most important factor for reducing the CPC's ability for political mobilization, and for the constant stagnation of various undertakings on the mainland.

The existence and development of the above-mentioned conflict reveal the historical limitations of Deng Xiaoping's government work, and compel Deng to look for a new design for the reform and opening up, so as to add new motive force. But this is not an easy task for the old Deng Xiaoping. Furthermore, there is the growing restraint from the conservative school. Today's Deng Xiaoping resembles the aged Mao Zedong in one point. From the time when he entered old age to the time he died, Mao Zedong chose two successors: one was Lin Biao, whose name as the successor was written down in the party constitution; the next one was Hua Guofeng, who was given the authoritativeness of the "two whatevers." Deng Xiaoping picked three successors during his later years: Hu Yaobang, Zhao Ziyang, and Jiang Zemin. He gave special blessing to Jiang Zemin, not only granting him the title of "core," but also giving him the chairmanship of the Central Military Commission ahead of schedule. This kind of succession to power indeed implied an inevitable outcome: "It is difficult to support the son of heaven." The outcome's inevitability conversely vindicated the correctness of a conclusion made by Deng Xiaoping in a long speech on 18 August 1980, entitled "Reform of the Party's and State's Leadership Systems": A good system makes people unable to abuse their power, a bad system makes good people unable to do good things, or even makes them go the opposite way. Therefore, if Deng Xiaoping fails to uphold his early idea—which is correct—and to properly solve the problem of power succession in terms of the state's political system, then not only can the mainland's political situation not be really stable while Deng is still alive, but an uncontrollable disturbance might occur after Deng Xiaoping dies.

One need not look far for a lesson: blessing or cursing, Xiaoping, are not you aware of it?

Private Life Detailed

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No 165, 10 Apr 91 pp 54-55

[Article by Ming Ping (2494 5493): "Deng Xiaoping's Daily Life and Anecdotes"]

[Text] During holidays, the task of preparing meals falls on the shoulders of Deng Xiaoping's wife Zhuo Lin and her daughters. When having a meal, Deng will always pour a cup of grape wine for his wife and daughters and say: "You must be exhausted, holiday cooks. Let me first present you a cup of wine."

Governments and people paying close attention to the changes and development of China closely follow every activity of Deng Xiaoping.

Recently, this writer had a short rest in Beijing. A source told me anecdotes about Deng Xiaoping's daily life. Let me tell you some of what I heard.

Everyday Life at Home

Usually, Deng Xiaoping gets up at 06:30, takes a walk for half an hour in the compound yard, and has his breakfast, which is mainly composed of plain soya-bean milk, deep-fried dough cakes or steamed buns, at about 08:00. He listens to news briefings from domestic and foreign newspapers and magazines read out by his secretary in his study (working office room) at 09:00. When he finds something interesting, he will ask the secretary to repeat it or pass the original to him. At about 10:00, Deng reads the bulletins and documents sent to him by the General Office of the CPC Central Committee and generally writes the character "yue" ["read"] but leaves no inscription on every document he has read unless he is asked to do so by the Political Bureau of the CPC Central Committee or asked to give the final say on documents bearing the signatures of members of the Standing Committee of the Political Bureau. However, after putting his opinion on them, he will write as usual: "It is hoped Comrade Zemin and all Standing Committee members will make a decision after deliberation."

Usually, Deng takes his lunch at 12:30. If there are not any visitors at home, generally he has his lunch together with his family members. There are 13 or 14 people in the family including the secretary. They are divided into two tables for lunch, that includes four courses. On the table at Deng's side, there is a dish of salted chilies (Sichuan pickles). He likes to eat cuisine with sesame and chilies but his family members are not used to it. This being the case, he asks for such a cuisine as special service.

Usually, he takes his dinner at 18:30 and asks that dinner begin only after all family members are at the tables. Last autumn, Deng's daughter returned to Beijing from Guangzhou. Because the plane took off behind schedule, it was nearly 21:00 when she reached home. Deng insisted in holding dinner for her. There are 17 or 18 people taking dinner. Therefore, there are additional soup and dish of fried peanuts, soybeans, broad beans, and assorted kernels. Deng is used to drinking two small cups of tonic wine, a wine with traditional Chinese medicine soaked in it, while having his dinner. When having a meal, Deng likes to ask his sons and daughters about what is happening outside; he just listens but makes no reply. He is very keen about the appetite of his sons and daughters. When he finds any of his children eat less than usual, he will ask: "Are you not well today? Have you seen a doctor?" However, Deng himself has his own character. He is reluctant to see a doctor even if he is not well. Even though he does see a doctor and is given medicine, he will not take it as prescribed. Last spring, when he returned to Beijing from an inspection tour to

other parts of the country, he caught a bad cold. He just got an injection but did not take any medicine. The doctor in charge of his health had to inform his daughters to bring water and urge their father to take medicine. The doctor does a medical checkup for Deng once a week so that prompt treatment can be given if something wrong with his health crops up. **He Has Succeeded in Quitting Cigarettes** [subhead]

When he resigned the chairmanship of the Military Commission of the CPC Central Committee in 1989, Deng Xiaoping began to give up cigarette smoking, and he succeeded in so doing. At the beginning of his effort to quit cigarettes, when his craving for tobacco seethed, he ate flour-coated peanuts. After lunch, usually Deng takes a rest till about 03:30. If he invites his bridge partners, they start playing bridge from 16:00 and the game will last to 19:00. Generally, if somebody wants to ask Deng for instructions on something or he is to meet with political celebrities such things are arranged to take place at about 16:00.

After meals, Deng likes to chat with his sons and daughters, teases his granddaughter, and watches television news and sports programs. Deng said to others: "All my life, I like most to watch football matches. I have done so for several decades. When I watched our national football team, I felt depressed. It was only when Xiao Mao and I watched our national women volleyball team that I felt relieved for the Chinese nation. It is hard to put blame on others. When it comes to big-ball games, people's constitutions are very crucial. This is different from the case of small-ball games."

At about 22:00, after reading another round of bulletins and documents sent to him by the General Office of the CPC Central Committee, he takes a bath and then goes to bed.

He Cares for His Subordinates

Every year, when winter arrives, some of Deng's fellow-townspeople will bring him four or five cases of oranges and red tangerines, which Deng will distribute as usual among his secretary and staff members. Deng will also ask somebody to pick up some and give them to his elder sisters Deng Yingchao and Kang Keqing, Mrs. Wang Guangmei, Marshal Nie [Rongzhen], and Cai Chang (deceased).

Whenever his sons and daughters or staff members go to Jiangxi on official business, Deng will always ask them to call on some cadres and master workers of the machine building plant where he was once transferred to do manual labor. Deng often recollects the days in the plant and says: "While people outside shouted calls to overthrow and smash me to pieces, workers, master workers, and cadres inside the plant cherished, took care of, and respected me considerably."

Every year, on the eve of every holiday, Deng will always ask his working personnel to go home for a family reunion at an early date. He will also instruct his

secretary to find out the financial situations of those working personnel wishing to go home for New Year holidays. When he learned that the finances of a staff member whose children were studying in universities were relatively constrained and his wife had to recuperate due to illness, Deng asked his secretary to give him 500 yuan on his behalf. During holidays, the task of preparing meals falls on the shoulders of Deng Xiaoping's wife Zhuo Lin and daughters. When having a meal, Deng will always pour cups of grape wine for his wife and daughters and say: "You must be exhausted, holiday cooks. Let me first present you a cup of wine."

He Lost His Temper Two Times

Ordinarily, Deng Xiaoping never loses his temper at home. In the most case, when his wife and sons and daughters call him and he does not utter a word, they know that something is puzzling him. However, he got really angry on two occasions. One was on the afternoon of 30 December 1975, when he received a telephone call from Wang Dongxing, then director of the General Office of CPC Central Committee, asking him to look over the final proof of "New Year's Day Editorial." Flying into a rage, he said into the telephone: "Who has done it? Why is the editorial discussed by the Political Bureau a few days ago not used? Do we still need the Political Bureau?" Confessing freely, Wang finally said: "The Chairman has read and ticked off his name listed on it." After the event, Deng did not utter a word for two days running. After having a meal, he went to his office room or called on Premier Zhou in the hospital. The other occasion was in mid-November 1978, when Hu Yaobang reported to him that while reexamining and redressing the wrong and false cases during the Great Cultural Revolution, he felt awkward due to the disruption by the two "whatevers." Deng Xiaoping said: What are you afraid of? You feared nothing when you were struggling repeatedly during the Great Cultural Revolution. Now what are you afraid of? If you come across difficulties, let me know. We must first redress the wrong cases, they have a great impact and touch on a wide range of endeavors, and are difficult to handle." [no open quotation mark as published]. Immediately after making those remarks, he gave Wang Dongxing a telephone call and said: "I suggest that an enlarged Political Bureau meeting be held tomorrow afternoon to discuss whether or not the two 'whatevers' should be repudiated. Every member should make known his position on the issue. This has a bearing on the major questions of whether or not we should bring order out of chaos and where the country should head." He put down the telephone and said to Hu: We must solve the problem of the two 'whatevers' organizationally and we cannot afford waiting. In the last decade or so, many people have been hurt. Can we still afford waiting? Whoever sticks to the two 'whatevers' must leave the leading body. After the event, Hu Yaobang told others that he had seldom seen Comrade Xiaoping get so angry in the last four decades or so of getting along with each other.

Minister Views Anti-Li Peng Poem, Smuggling

HK1504103491 Beijing ZHONGGUO XINWEN SHE
in Chinese 1307 GMT 8 Apr 91

[Report by correspondent Wei Xiang (0251 5046); "Public Security Minister Answers ZHONGGUO XINWEN SHE Reporter's Questions"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 8 Apr (ZHONGGUO XINWEN SHE)—Public Security Minister Tao Siju today told a ZHONGGUO XINWEN SHE reporter that the police at present have not participated in the investigation into the incident of a "counterrevolutionary poem" printed in the 20 March RENMIN RIBAO OVERSEAS EDITION.

He said: "This is an internal problem for RENMIN RIBAO and should be investigated and handled by the newspaper."

Tao Siju made the above statement during a special interview this afternoon with this reporter.

The minister sees the appearance of the poem in the party newspaper as a serious matter but said that given the fact that China has a population of 1.1 billion, it is not surprising that some individuals might pull some tricks, that in any case do not amount to anything. From its birth the CPC has been subjected to attacks and abuses. Yet none of the attacks and abuses against the party and its leaders will affect the progress of the socialist undertakings under party leadership.

He revealed that the poem incident is at present under investigation. In answering a question about the recent massive car thefts in Hong Kong and luxury cars being smuggled to the interior, Tao Siju stated that Guangdong provincial public security organs are closely cooperating with Hong Kong police and a number of recently stolen cars can be expected to be returned to their owners.

Tao Siju laid particular stress on strengthening Sino-Hong Kong cooperation to stop car theft and smuggling. He confirmed that Chinese public security organs are going to adopt effective measures to curb the rampant occurrence of such crimes.

It is understood that smuggling is rife along China's eastern and southern coasts. Smuggled goods seized last year by the mainland coastal police and autonomous zone authorities amounted to some 500 million renminbi.

Sources from the Chinese police said goods smuggled into the country consist mainly of household electric appliances, high-grade cigarettes, cars and motorcycles, and so on; those smuggled out of the country are mainly eel fries, antiques, and rare animal species.

On gun smuggling, Tao Siju emphasized that the occurrence of such smuggling is harmful to both the mainland and the places where the smuggled guns are distributed.

He revealed that guns currently smuggled from the mainland come chiefly from two sources: One, guns

fallen into the hands of speculators during normal gun sales and delivery; and two, a certain number of guns gone into the hands of the general public from the Sino-Vietnamese borders.

According to data obtained by the mainland police, these smuggled guns are distributed mainly in Hong Kong, Taiwan, and Japan.

Tao Siju said that the Chinese police have always adopted strict measures regarding gun smuggling and will continue to welcome Hong Kong, Taiwan, and various sides from outside the country to provide information at any time; in this respect the Chinese police will offer close cooperation to crack down still more effectively on the criminal activity of gun smuggling.

When the reporter asked about the relations between the police of the two shores, Tao Siju said that currently as many as 2 million Taiwan people visit the mainland each year, and bad individuals are likely to be found among this huge number. To prevent and solve problems, police must strengthen ties on the two shores.

When answering one of the reporter's questions, Tao Siju flatly denied the theory that triad elements from outside the country were hiring mainland criminal elements to commit crimes outside the borders, saying that no such individual cases had been found.

The minister reiterated the China's stand of not tolerating under any circumstances triad elements from outside the country gaining a foothold in the mainland, saying the police will not interfere with normal relative visits by members of organized triads from outside the country, but they will be brought to justice if they break the law in the mainland.

Investigation Details Poem's Publication

HK1304092891 Hong Kong HONGKONG STANDARD
in English 13 Apr 91 p 1

[Text] Two senior editors at the People's Daily, the party's mouthpiece, are being investigated for alleged involvement in the publication of a poem with a hidden message calling on Premier Li Peng to step down.

Informed sources said a junior editor at the overseas edition of the paper was pardoned for his negligence for passing the poem sent in the name of a Chinese student studying in the United States.

The poem, which appeared as a contribution from a student named Zhu Haihong in the United States, was on first glance a patriotic ode, but contained an acrostic that said: "Li Peng step down, assuage popular indignation."

The two senior editors at the overseas edition are page editor, Zhuang Yongling, who edited the page on which the poem appeared and acting chief editor, An Zizhen, who permitted the poem to be printed.

Mr An replaced Yu Wan-chung, former chief editor of the overseas edition who was transferred to Sichuan province in February.

One source said: "The two were taken away by personnel from the Ministry of Public Security and Ministry of State Security for questioning."

Mr Zhuang and Mr An are currently suspended from work pending investigation, according to the sources.

The junior editor, identified only as Mr Chen who is responsible for screening articles sent in by Chinese students overseas for publication, was blamed for "technical problems in his work".

Mr Chen has been pardoned due to his inexperience and his young age, the sources said.

He replaced another editor who had gone to the United States to work on the page where articles from overseas Chinese students are published, according to the sources.

This has led to unconfirmed reports in Beijing which said a People's Daily editor fled the country after publishing the poem.

"The suspension of the two senior editors also indicates an imminent reshuffle of leadership in the overseas edition of the People's Daily following that in the domestic edition of the paper," the sources said.

The newspaper publishes two editions daily. One is for domestic readers and the other, with slightly different contents, caters for overseas readers.

Two editions have separate editorial teams.

Staff Changes Viewed

HK1504022291 Hong Kong SOUTH CHINA MORNING POST in English 15 Apr 91 p 12

[By Willy Wo-lap Lam]

[Text] The editorial staff of the PEOPLE'S DAILY [RENMIN RIBAO] has been purged in a move by the Communist Party to promote control over the official mouthpiece.

The staff clear-out has been intensified since the paper's overseas edition last month printed a poem that called for the resignation of the Prime Minister, Mr Li Peng.

Sources said the editor in charge of the relevant section wrote a long confession to the director and party secretary of the paper, Mr Gao Di, in which he admitted to "having low political standards".

He also confessed to being "negligent" in failing to spot the "subversive" poem.

While still on the paper's payroll, the journalist has been relieved of his authority and actual duties.

Investigations launched by both the party cell and national security units, however, have failed to find the real author of the poem.

According to today's issue of the China-watching monthly CONTEMPORARY, three deputy chief editors have recently been sacked or transferred to lower positions in the provinces.

Lu Chaoqi has been relieved of all his party and government positions for allegedly "showing a poor attitude" towards the Four Cardinal Principles of Marxism and Communist Party leadership.

Fan Rongkang has lost all his positions in addition to having received a severe warning for promoting a number of liberal journalists to senior positions.

And Yu Huanchun has been demoted and transferred to Sichuan province for failing to prevent journalists from taking part in demonstrations in the spring of 1989.

In addition, many of the 20 reporters and editors who were particularly active during the protests have received notices of job transfers.

Chinese sources said the party's Organisation Department had recently circulated a document entitled "Strengthen the Management of Cadres and Guarantee the Smooth Job Transfers".

The sources said the circular had provided party cells and other disciplinary units with an excuse to move "trouble-making" cadres in the cities to remote regions of the country.

The document lists nine reasons for regularly moving officials. They include "improving the cadre structure" and ensuring that major national projects had access to high quality human resources.

Cadres are also asked to "fill the ranks of grassroots units, and render support to units in remote and poor areas".

Once officials have received the transfer order, they must report to their new units with delay. Those who do not obey instructions receive party and administrative punishments.

China analysts say following the Tiananmen Square crackdown, most of the high-ranking "bourgeois-liberal" elements in party and government units were purged.

Political Mistakes Punished

HK1204040191 Hong Kong MING PAO in Chinese
11 Apr 91 p 2

[“Special Article” by Cheng Sheng (6774 3932): “Some 20 People of RENMIN RIBAO Office Punished for ‘Committing Political Mistakes’ During 1989 Student Movement”]

[Text] A well-informed source said: In the last few days, RENMIN RIBAO, the only "ministerial-level" newspaper on the Chinese mainland and the official newspaper of the CPC Central Committee has taken party disciplinary action and administrative disciplinary measures against some 20 staff members, including two departmental-level cadres, three bureau-level cadres, and other editors and reporters, for "committing political mistakes" during the disturbances that took place in the first half of 1989.

Li Renchen, deputy editor in chief, has been given a disciplinary warning and transferred to Jiangsu Province;

Yu Huanchun, deputy editor in chief and concurrently editor in chief of the overseas edition, has been given a disciplinary warning and transferred to Sichuan Province;

Luo Rongxing, director of the Science and Education Department, has been given a serious disciplinary warning and transferred to Hebei Province;

Liu Yunzhou, acting director of the General Editorial Office, has been given a disciplinary warning and transferred to Heilongjiang Province;

Luo Erzhuang, director of the International News Department, has been given disciplinary warning and ordered to retire;

Zhang Baolin, editor in charge of its overseas edition's page two, has been given a disciplinary warning and transferred to Anhui Province; his wife Gao Ning, who is the daughter of Gao Ji, former director of the Reporters Center based in Shanghai, editor of the Literature and Art Department, and former cadre of the Information Bureau under the Propaganda Department of the CPC Central Committee has been transferred to DIZHI GUANGCAN BAO [GEOLOGY AND MINERALS NEWS];

Yang Lianghua, editor in charge of its overseas edition's page four, has been given a disciplinary warning and where he will be transferred remains undecided.

Moreover, some 10 other editors and reporters have been punished.

Beijing University Cadres To Be Remolded

HK1304062591 Hong Kong MING PAO in Chinese
13 Apr 91 p 6

[“Special dispatch”: “Beijing University Plans To Send Teachers, Research Workers Who Are Capitalist-Roaders Down to Grass-Roots Units for Ideological Remolding”]

[Text] The Beijing University Party Committee, under the newly appointed secretary Wang Jialiu, is planning to unfold a new round of weeding out "bourgeois liberalization elements" on the campus, and a number of teachers and researchers who hold fast to their own views in the wake of the "4 June" incident will be sent down to grass-roots units

for a two-year term of "remolding," with only those who will behave themselves allowed to return to Beijing University, according to a Beijing source.

It was learned that the plan for the new round of weeding out had basically been formulated, but when the news spread, it roused strong repercussions among teachers, who believed such a practice would be a refurbished version of attacking people that characterized the "Cultural Revolution."

Wang Jialiu officially took office in Beijing University last March. She was originally deputy secretary of the CPC Beijing Municipal Party Committee, concurrently secretary of the Beijing Municipal Bureau of Tertiary Education's Work Committee, and an alternate member of the CPC Central Committee. She has a long standing in taking charge of party and political work of the educational system. She remains CPC Beijing Municipal Party Committee deputy secretary after taking office in Beijing University. It is said that Wang Xuezhen, former Beijing University Party Committee secretary, was removed from office on account of his weakness in work concerning weeding out in the wake of the "4 June" incident.

This being the case, as soon as Wang Jialiu took office, she made new arrangements for weeding out together with the new university party committee leading body, and was ready to adopt a series of new measures, including the so-called plan of "transferring teachers and researchers to grass-roots units," which roused the repugnance of those concerned. Many people believed that such a measure would not help in resolving people's ideological problems, but waste precious time for scientific research and teaching.

Anyway, the Beijing University Party Committee is bent on implementing the aforesaid plan as disclosed, and the conflict between the party committee and teachers and researchers is expanding.

As for the students, an increasing number of them are indifferent to politics. Some of them did not even know about the reshuffle at the top echelon of their own university party committee, not even when a notice had already been made in the university journal.

A series of incidents has recently taken place on the Beijing University campus, but none of them caused any repercussions among the students. In one incident two weeks ago, someone posted a bill on the campus, asserting that deputies to some provincial and municipal peoples' congresses would come to Beijing University to solicit students' opinions on the "Eighth Five-Year Plan" and the 10-Year Program. The man in question was caught by the university authorities, but proved to be an outsider.

In addition, two accidents took place on the campus not long ago. Fire broke out in an experimental workshop, with part of the building, materials, and equipment burned down. Another accident was an explosion that

took place when two students were conducting a chemical experiment, with the laboratory destroyed.

Rumor had it that the two students had been killed in the explosion. However, it was learned that the two students were wounded and sent to the hospital, and have now basically recovered.

Zou Jiahua Urges Railways To Stop Crime

OW 0604172591 Beijing XINHUA in English
1651 GMT 6 Apr 91

[Text] Beijing, April 6 (XINHUA)—A senior Chinese official today called on the state's railways and local officials to crack down on crimes on railways and speed up railway development, in accordance with the railway law.

State Councillor Zou Jiahua said here at a national telephone conference that the law has clear stipulations about the regular operation of the railways.

More than 30 senior officials from both the central and local governments took part in today's conference.

Zou said that the law also provides a legal basis for speeding up railway construction with the limited amount of funds available.

China passed its first railway law last September and will put it into effect May 1 this year. The railways account for more than half of the country's passenger transportation and handle over 70 percent of the freight.

Meanwhile, China is working on a draft law on civil aviation and has also started work on a law governing highways, sources here said.

Nationalities Commission Honors Workers

OW 1204182391 Beijing XINHUA in English
1626 GMT 12 Apr 91

[Text] Beijing, April 12 (XINHUA)—Collectives and individuals from the central government organs and their subordinate units who have done outstanding work for nationalities' unity and development were honored here today by the State Nationalities Affairs Commission.

At the honoring meeting, which was held in the Great Hall of the People, 27 units and 89 individuals from the central government organs, people's groups, democratic parties and the All-China Federation of Industry and Commerce were awarded medals and certificates.

Among the individuals commended today are 20 ministry level cadres.

Wu Jinghua, vice-minister of the State Nationalities Affairs Commission addressed the meeting.

He said that the honored units and individuals have done outstanding work in implementing the nationality

policy and developing the economy, culture, education, science, technology, hygiene and sports in ethnic minority areas.

The vice-minister said that the total social production of China's five autonomous regions and the three provinces of Yunnan, Guizhou and Qinghai, which are inhabited by ethnic minorities, reached 257 billion yuan (about 51 billion U.S. dollars) in 1989, a 139.3 percent rise over the figure from 1980.

He said that the rights of national equality have been further guaranteed for ethnic minorities.

By the end of 1990, 45 out of the country's 55 ethnic minority groups had founded local autonomous administrative organs. In addition, over 1,500 ethnic counties were established.

Wu said that China is facing an unprecedented good situation of nationalities' unity on account of the policy of regional national autonomy and the policies of reform and opening to the outside world.

Present at today's meeting were Vice-Chairman of the National People's Congress Standing Committee Ngapoi Ngawang Jigme, State Councillor Chen Junsheng, Secretary General of the State Council Luo Gan, and Vice-Chairman of the National Committee of the Chinese People's Political Consultative Conference Ismail Amat.

Commentary Stresses National Solidarity

*OW1204200191 Beijing XINHUA Domestic Service
in Chinese 0822 GMT 12 Apr 91*

[“Commentary by XINHUA Commentator: Sing the Song of Solidarity and Play the New Movement Together”—XINHUA headline]

[Text] Beijing, 12 April (XINHUA)—The meeting to commend central state organs which distinguished themselves in promoting national solidarity and progress is now in session. This meeting is being held after the recent closing of two meetings which drew worldwide attention—the Fourth Session of the Seventh National People's Congress [NPC], and the Fourth Session of the Seventh National Committee of the Chinese People's Political Consultative Conference [CPPCC].

This current meeting is the climax of nationwide activities for commanding units and people who distinguished themselves in promoting national solidarity and progress, that have been carried out nationwide since the Third Plenary Session of the 11th CPC Central Committee, and especially since 1990. So far, the nation has selected 2,427 advanced collectives and individuals. This is unprecedented both in size and scope. It is also special because such activities are launched within departments of the CPC Central Committee and State Council, democratic parties, and mass organizations for the first time since the founding of the republic. The

activities have achieved very good results in strengthening the solidarity of people of all nationalities, promoting their development, and safeguarding stability in minority regions and throughout the whole country.

During the course of these activities, all localities have achieved satisfactory results in organically integrating the assessment and commendation of the advanced with educating the people on Marxist and Leninist ethnicity concepts and the party's ethnicity policy. Using models based on people of various nationalities, they have publicized the importance of executing the party's ethnicity policy and safeguarding national solidarity, helped people of all nationalities understand that they can enjoy genuine equality, constant development, and progress only in a socialist community, and propagated the idea that “the Han people and minority nationalities need each other.” They have also helped people understand that it is the sacred responsibility of each and every citizen to safeguard the unification of our motherland and combat racial discrimination and national division. This has profoundly educated the vast number of cadres and people on Marxist and Leninist ethnicity concepts and on the party's ethnicity policy, and further enhanced the nation's goal of promoting national solidarity and progress. Facts have proven that assessing and commending the advanced is practical. They have proven that, if we continue regular activities in which all collectives and individuals who have contributed to national solidarity and progress are commended and respected, and so that each and every person in our society will gradually become aware of the need to safeguard national unification and national solidarity, the solidarity of people of all nationalities in China will have a reliable ideological and social foundation. This is infrastructural construction with immediate and far-reaching significance.

China is a unified, multinational socialist country. This is one basic fact about China. Upholding national equality and national solidarity and encouraging people of all nationalities to work together [words indistinct] infrastructural construction have an important bearing on our country's long-term stability and prosperity. The CPC always attaches great importance to national solidarity. Over the past several decades, the CPC, through integrating Marxist-Leninist ethnicity theory with the actual situation of people of all nationalities in China, has established and developed the socialist national relationship, characterized by equality, mutual assistance, solidarity, cooperation, and coprosperty. It has upheld and improved the autonomy system in minority regions, combated racial discrimination and national division, and developed a correct right way for settlement of China's ethnic issues. At a time when the international climate is changeable and hostile forces at home and abroad and an extremely small number of separatists are engaged in sabotage activities, people of all nationalities in China cherish their solidarity and safeguard national unification, and the cause of promoting national solidarity and progress continue to

develop and strengthen. But we must also realize that, owing to natural, historical, and social factors, as well as characteristics and differences in cultures, customs, habits, religious beliefs, and ethnic mentalities that have taken shape over thousands of years, contradictions among people of various nationalities cannot be eliminated overnight. Thus, we still have a lot of hard work to do in consolidating and developing the cause of promoting national solidarity and progress in China.

What we must emphasize is that the cause of promoting national solidarity and progress is the responsibility of people of all nationalities in the country. It is the sacred duty of people of all nationalities in the country to uphold national equality and safeguard national solidarity. Leading party and government organs at all levels, and the vast number of cadres, especially those in leading positions, have more important responsibilities to shoulder with respect to safeguarding national solidarity. This is because our national solidarity will not have reliable political guarantees unless party and government organizations at all levels and the vast number of cadres uphold the correct theories and policies on ethnicity issues. Advanced collectives and individuals of central state organs commended on this occasion share common characteristics, namely they all take the initiative in promoting national solidarity, they attend to ethical and regional particularities, and, while executing state policies, they respect autonomous regions' autonomy, serve the national minorities wholeheartedly, and help them solve their problems, taking the actual situation of minority regions into consideration. This is something we should make every effort to promote.

China's modernization drive is now at a crucial stage. The mission of achieving the magnificent goals set in the 10-Year Development Program and the Eighth Five-Year Plan is a formidable but glorious one. Comrade Mao Zedong pointed out: "The unification of our country, the unity of our people and the unity of various nationalities—these are the basic guarantees of the sure triumph of our cause." Our unified country composed of people of all nationalities has a long history, and it has a powerful centripetal and coherent power. This is our strength and our enormous spiritual wealth. We should give full scope to this strength, continue to consolidate and develop the cause of promoting national solidarity and progress, and mobilize and bring together the enormous creativity hidden among people of all nationalities so that we can work together to pioneer China's magnificent causes.

Post-4 June Worker Movements Observed

HK1204091791 Hong Kong CHENG MING in Chinese
No 162, 1 Apr 91 pp 25-28

[“Notes on the Northern Journey” by Lo Ping (5012 0393); “Workers, Frailty Is Not Your Name”]

[Text]
—Workers are asleep.

—Or are they?

Since the “June 4” incident there have been arguments, debates, doubts, and signs to that effect. Though most of those shot and crushed by tanks on “June 4” were workers, and though “Workers’ Autonomous Union” flags once flew in Tiananmen Square and East and West Chang'an Avenues, there have been incessant doubts and signs:

- China does not have a Lech Walesa.
- It does not have a Solidarity Union.
- Nor any movements like Solidarity.
- It looks as if there will not be a Walesa.
- Deng Xiaoping and his like are no Jaruzelski.
- China does not have the foundation or conditions for a movement like the Solidarity Union.

Overseas media devoted to reporting on the mainland usually feature either high-ranking CPC officials or famed intellectuals. When reports do come up about the democratic movement, workers will often be found cast in a supporting or unimportant role. In a way, this betrays the view of Overseas Chinese on mainland workers. “Are workers really deep in sleep?”

Since “June 4,” I have been probing, exploring, and thinking about the question, with the desire to brief CHENG MING readers on what I have been able to gather. Owing to a number of objective restrictions, that have given me a great deal of pressure and obstacles, I could only complete 10, or even just 1, percent of what I had planned. I will not go into detail here but will confine myself to bringing up some information I have gathered and that can be released, so that, on the basis of this unorganized material, everybody can make their own judgment.

Despite the fact that a number of people in the broad masses are not optimistic about the worker movement’s prospects, CPC high levels have been paying close attention to workers’ activities.

Deng Xiaoping: “The Situation Will Be Difficult To Handle If Workers Take to the Street”

Two years ago, Deng Xiaoping was glad that workers did not lead the “turmoil” and “rebellion,” commending them at a high level meeting that during the “rebellion” we relied not only on troops but also workers (meaning workers did not stir up any large-scale strike). Deng said: When he heard that some workers walked dozens of miles to work when there was no public bus service during the turmoil, he knew deep down things would turn out well, “for as long as workers stay orderly, the situation will be kept well in hand.” However, after “June 4,” Deng Xiaoping repeatedly proposed to the central authorities that the party had to strengthen its leadership over the worker force. Deng said: When students take to the street stirring up trouble, we can readily deal with them; but it would be difficult if workers marched in the streets and went on strike.”

The Public Security and State Security Ministries Analyses of Workers Were Different

In the spirit of Deng Xiaoping's address, and according to public security organ reports, the CPC Central Committee Political Bureau and CPC Secretariat discussed the status and problems of the worker force. Before and after last year's "1 October" National Day, the Public Security and State Security Ministries individually submitted reports to the central authorities, and interestingly, with different analysis and conclusions on workers' conditions and the country's ideological mood.

The Public Security Ministry's report said: Analysis of the current situation shows that, although there are quite a number of bad elements among the working masses and there are different extents of disputes that may lead to trouble, overall the worker force situation will not develop into what occurred in some East European countries. Our country's worker-class force is basically good.

There Are Clandestine Worker Organizations in Places Like Liaoning, Hunan, Sichuan, and Shanxi

However, the State Security Ministry's report said: We cannot afford to underestimate the impact and effects of the international situation (referring to the tremendous change in East Europe) on our country's worker class; and the present worker-class force has changed in nature. The State Security Ministry also pointed out that hostile forces inside and outside the country have switched their focus of activities from university students to troops and the working masses.

According to the State Security Ministry's report: Hunan, Liaoning, Sichuan, Shanxi, Hebei, and other places have found clandestine worker organizations. Between last January and August there were 42,000-odd political cases involving assassinations, sabotage, and explosions; and various counter-slogans ("reactionary slogans") were seen in industrial and mining enterprises throughout the country.

The Arrest and Killing of Workers Involved in the Democratic Movement Has Never Stopped

After "June 4," the CPC's order was that the treatment of students and intellectuals should focus on ideology and education and there was even to be "liberal handling" of students involved in the "turmoil." However, in dealing with the troublemakers within the workers, it stressed a strong-arm and merciless policy. The arrest and killing of workers involved in the democratic movement continued from "June 4" 1989 to around National Day 1990. As learned from my cadre friend from Shenyang, who visited Beijing, as many as 600 Anshan Steel Company worker cadres and technical staff were publicly or secretly arrested; new groups sentenced to reform through labor appeared in the coking workshop and 43 "problematic" engineering and technical personnel were subject to intensive reform through labor. As workers were all anonymous, neither overseas nor people within the country were aware of all these tragedies.

The Frightfully Inhuman "12 July" Massacre of Workers

Some workers with the Datong Coal Mine, which is, like Anshan Steel Company, a key industrial and mining enterprise, arrived from Datong in Beijing before "June 4." In July 1989, the Beijing Municipal Public Security Bureau and Armed Police arrested some 20 Datong coal miners and repatriated them to Datong in a group. These workers were locked inside an abandoned pit. The mine security department and Datong Public Security Bureau set up their own court where they tried to extract confessions with torture, beating six of the workers to death. The remaining dozen-odd workers fought with the policemen, killing three; and a mine security department section chief was stoned to death. In the end, the policemen burned all the workers to death with gasoline. This was the "12 July" incident that was to shock the CPC Central Committee and State Council.

All of the CPC paramount leaders made specific instructions regarding the frightfully inhuman massacre done by organs of dictatorship, demanding an absolutely tight news blockade. On the instructions of the CPC Central Committee and provincial party committee, the Datong City CPC Committee and coal mine party committee withheld the truth from the public, saying that two criminals committed suicide for fear of their crimes by setting off some explosives, and this caused the incident. How base and shameful!

However, after the "12 July" incident was covered up, the strike at the No. Four Beijing Automobile Factory became known. As the incident occurred right in Beijing and not in some remote area, the CPC did not dare to crack down as much as they wanted.

The No. Four Beijing Automobile Factory Strike

The No. Four Beijing Automobile Factory is a leading unit in Beijing Municipal traffic and transportation work. Last mid-November, No. Four was distributing housing. Several of the plant's leaders each claimed two housing units; the deputy secretary of the plant's party committee and plant manager, having obtained one for themselves, wanted one more for their mothers-in-law. The workers did not like this and put up "small-character posters" in the workshop. But posters, whether in big or small characters, are what the authorities are most afraid of, from the Central Committee to city committees. Mayor Chen Xitong immediately sent people to inquire about the posters in the No. Four's workshop. When workers saw the men from the municipal government they wanted them and the municipal party committee to deal with the unfair housing distribution, claiming that if this was not taken care of, workshop workers would go on strike. The municipal government and party committee wanted to placate both sides but were unable to give an answer for a whole week. The workers got angry and, on 19 November, went on strike. Two days into the strike, the municipal government and party committee grew anxious. While placing a

tight information blockade, the latter took over direct handling of the incident. It decided that all factory-level cadres at No. Four should immediately and unconditionally turn over the new houses, giving them only three days to comply. Those who disobeyed would be fired and stripped of party membership. Meanwhile, an investigation team, organized by the municipal planning commission and transportation bureau's party committee, started investigating the recent unhealthy trend in No. Four's housing distribution. Afraid of punishment, the No. Four factory-level cadres surrendered their houses in one day. The workers expressed no confidence in these factory-level cadres and demanded that they be dismissed. Afraid that the workers would continue the row, the municipal party committee dismissed all the leading factory-level cadres, transferring them to outside units; the municipal transportation bureau sent down new leading cadres. The incident died down with that.

Worried About Chain Reactions, CPC Leaders Sealed Up News

There were reports that opinions were divided between the municipal government and party committee; the same happened between district and county level cadres. Somebody thought: How are we to run things given the precedent set by the municipal government and party committee's weak stance? But there were reports that the central authorities commended the municipal party committee for promptly handling the situation, while repeatedly stressing that the incident would not get into the newspapers or appear in any notice mainly for fear of possible chain reactions. To placate people's minds, the Beijing municipal government sent people to No. Four to give consolation; the transportation bureau and leading cadres of the municipal economic commission visited No. Four to "labor" there; and the municipal committee propaganda department sent down writing groups to sum up the model deeds of two old workers who cared about the plant as they did their homes and the selfless and dedicated technical staff. In short, the municipal party committee and government did what they could to try to win over the workers' hearts.

State Security Ministry: Enormous Destabilizing Factors in the Industrial and Mining Enterprises in Various Localities

The State Security Ministry admitted, in its report to the central authorities, that there exists enormous destabilizing factors in industrial and mining enterprises; if no effective precautionary measures are taken, there will be dire consequences. Deng Xiaoping was the one within the CPC decisionmaking levels to most appreciate the report. For many years, Deng has talked about the need to caution against the Polish Solidarity Union's impact on China's workers. After "June 4," Deng mentioned many times the problem of workers, talked more than once with central and All-China Federation of Trade Unions leaders, repeatedly stressing that the party's first priority was to maintain stability and take precautions against a replay of Poland's events in China.

The Worker Masses: There Are Now Four, Instead of Three, Big Mountains on Our Heads

In accordance with the spirit of the CPC Central Committee's instructions, party and government organs have strengthened management over factories and mines, adopted various kinds of precautions, instructed workers to report to work punctually and work dutifully, and prohibited any "transgressions." On the organizational front, security and political departments and propaganda offices for industrial and mining enterprises' party committees have been reinstalled. Factory-protection teams and workers' pickets have been set up at various large industrial and mining enterprises, which has strengthened the party's organizational construction in factories and mines. Party branches have been set up at workshops and there is a party group for each work section. Sub-branches are installed at workshops operating in three shifts. In short, this places workers under the heavy pressure of levels of a pyramid-like ruling machine. This is the way the "advanced force of the working class" has been treating the working class!

To put it more plainly, this is pushing dictatorship on the worker class. In the past, the CPC has continually propagandized that the CPC itself has overthrown the three big mountains. But the working masses now say: "Instead of three mountains pressing on us, there are now four." The so-called four big mountains are the "party, government, trade unions, and the Communist Youth League." Everybody would understand what the party, government, and league mean. Have the trade unions become a mountain?

This is one of the characteristics of "socialism with Chinese characteristics."

The Trade Union Chairman Committed Many Crimes but Became an "Advanced" Element

In the West and Poland, trade unions exist for the workers' welfare. But in China, they are the communist party's instruments of rule over the working class. CPC leaders openly admitted that China's trade union work differs from that in Western liberalized unions and the current "revised trade unions" in East Europe and the Soviet Union. China's trade unions will walk the path of "socialist trade unions with Chinese characteristics." This path is in fact one of turning workers into the slaves of the communist party and union heads at various levels. In the process of open coverage and secret interviews, I found that some union chairmen had done some bad things, which even many party and government cadres are quite incapable of.

Industrial and mining enterprises now specifically lay down that trade unions must examine and approve all of a worker's life, death, and old-age insurance and aid funds. This is why trade unions in many localities and at many units commit corruption, waste union funds, and even siphon off funds for workers. Here is one example. Li Manhui, chairman of the Shandong Gear Wheel Factory trade union, used to be a city level "model

laborer." He has been chairman of the trade union for 10 years and a deputy of the national trade union. In recent years, seeing many people making a fortune and getting wealthy, he formed plans for the workers' aid funds. The factory had about 10,000 workers, many of whom were having difficulties in earning a living and, to apply for aid, some workers started sending him a gift or cash. Later he himself laid down: "I should get kickbacks for fighting for aid and such approvals for you." At first, the commission was 10 percent, gradually increasing to 30 percent, and was up to 50 percent by last June. Some of the union chairman's kickbacks went to the factory manager, secretary, security guard section chief, and league secretary. But the union chairman's appetite grew increasingly larger as he tasted the good taste of kickbacks. When some women workers asked for help, he abused his examining and approving powers and flirted with and sexually assaulted them. But not only were his evil acts not exposed, but they were painted with a glorious coat. In July 1989, the Shandong Broadcast Station ran a special report program on his "advanced" acts under the name "The Person Who Is Close in Heart to the Workers' Masses"; the province's trade union even listed the factory union as a "red-flag unit."

The City Government and Party Committee Covered Up the Scandal Lest Their Own Ineptness Be Exposed

The situation continued until last July, when the union chairman's crimes were exposed. Initial estimates show that he had been filing "false accounts" and taking "rebates" by abusing his powers from the workers' livelihood aid funds, the money amounting to 80,000 yuan; had sexually assaulted 50 or so women; and attacked and vilified six grass-root cadres who had opposed him.

Such a criminal element with a string of crimes should have been seriously dealt with by state law and party discipline. But as he was once a "model laborer" and a city-level "distinguished party member," exposing his crimes in the newspapers would be bad for "stability" and "unity." A party newspaper reporter had written an article about his misdeeds. But the provincial and city leaderships, saying that "the problem is under investigation," "the situation does not tally with the investigation," "this was a mistake made by an otherwise good comrade," and "the city party committee's stand was that he should get as much help as possible," telephoned the party newspaper and leaders of the All-China Federation of Trade Unions requesting no printed news on the event. The provincial and city leaderships believed that, while it would not equal commanding and citing as many as 100 advanced models, it would be enough to blacken the provincial and city leaderships even if as few as one bad model was exposed and criticized. The All-China Federation of Trade Unions chairman was also afraid of offending the provincial and city leaderships, and so Ni Zhilu personally telephoned the party newspaper requesting it to "shelve the article." The national trade

union federation's propaganda department also instructed that "one ladle should not be allowed to spoil the whole pot."

The Political Bureau Let the National Trade Union Federation Protect Bad People

After listening to the national trade union federation's work report, the Political Bureau also affirmed the federation's work, believing that the trade union's reputation should not be tainted by individual factories or cadres! As a result, the party newspaper's article was "rejected." Li Manhuai, chairman of the Shandong Gear Wheel Factory trade union, instead of facing serious treatment by party discipline and national law, was sent to a study course at the provincial trade union cadre academy (of course, Li returned some of the embezzled money).

This was a typical incident of a typical environment under a communist totalitarian system, showing perfectly well that corrupt officials will not go without changing the existing system. This system protects oppressors who exploit the suppressed. To prevent worker rebellion, the Public Security and State Security Ministries have strengthened controls over light and textile industries and key enterprises in metallurgy, heavy machinery, coal mining, petrochemicals, shipbuilding, and railway transportation, stipulating that enterprises with 10,000 or more workers have personnel directly sent by the Public Security and State Security Ministries and provincial and city public security departments and bureaus. The enterprise's security department belongs at the same time to several departments. For example, the security unit is led directly by the public security department, the personnel security unit belongs to the personnel department but has ties with the public and state security bureaus; the factory protection and fire brigades belong to and are led by the local fire department and armed police; and the in-factory militias are led by the local people's arms department and the People's Liberation Army security department.

Fostering a Large Number of "Spying Eyes" To Closely Monitor Workers

Apart from all this, the Public Security Ministry has also instructed provincial and municipal public security bureaus to foster large numbers of "spying eyes." The central authorities and State Council have specially allocated money to the ministry for this work. "Spying eyes" are basically recruited from and trained in grass-root militias, Communist Youth Leagues, and trade unions. Public security bureaus regularly meet with these people, take them to movies, and give them preference in aid and housing. Public security bureaus also regularly give them 10-odd yuan in traffic allowances or monthly tickets.

Despite the tight surveillance, voiced or silent resistance by workers has been increasing. Since the Constitution unreasonably forbids workers to strike, workers at some factories have resorted to work-slow actions, wrecking machines, and creating incidents. The State Security Ministry admitted in its report that there are many "political cases" as well as secret societies among

workers. Two workers of the third shift at Luoyang City People's Printing Factory printed on different occasions for a clandestine society 6,000 "reactionary pamphlets" at their own risk. There have been many gun loss incidents at industrial and mining enterprises in various places. Since August 1989, the CPC has demanded strict control over the guns of industrial and mining enterprises' militias. Despite the measure, in Hunan and Hubei alone some 200 guns have reportedly been lost. Worker Families in General Make a Point of Not Forgetting "June 4" [subhead]

After studying the problems with the worker force, the CPC high levels concluded that worker quality is "declining," and trade unions, which are responsible for ideological and political control over workers, are facing "three strong enemies": the liberalized trend, deorganization, and splitting away from party leadership. Therefore, the CPC is further strengthening leadership over trade union work in order to further strengthen ideological control over the worker masses.

Various facts and signs testify and reflect, in a positive as well as a negative light, that the working class' rebelliousness against the CPC's harsh rule, instead of receding, is increasing. I did a little private investigation and found that worker families in general made a point of not forgetting the "June 4" bloodletting and all privately cursed Deng Xiaoping, Yang Shangkun, and, especially, Li Peng, against whom the rage was particularly sharp. On the whole, the workers are not cowards, nor are they in their slumber or their quality declining. Although only a tiny proportion of workers actually rebelled, the silent majority is slowly waking up from their sleep. Under an economic system in which the party practically owns everything and there is single-party totalitarianism, the mainland's economic difficulties and political crisis will never be resolved. One day the tiny spark will become a huge fire and by then there will be a Chinese Walesa among the working class and a strong and progressive worker organization to lead the workers' struggle.

Editorial Notes Deepening of Reform

HK1204015191 Hong Kong WEN WEI PO
in Chinese 8 Apr 91 p 2

[Editorial: "China's Reform Gradually Deepened"]

[Text] China's reform consists of two parts: Reform of the economic structure and reform of the political structure. Both are aimed at developing productive forces and rejuvenating China. In concrete operations, the work is done in order of importance and urgency. This is decided by China's national situation. It is necessary to proceed from China's real situation in the effort to advance reforms.

China's reforms started at the end of the 1970's. At that time, the socialist economic system based on the public ownership of the means of production and the socialist political system had already been established, and the

economic strength of the country had been greatly developed. On the other hand, due to the big population, weak economic basis, and over concentration of power in the management structure, economic growth was seriously hindered. Most people in China live in the countryside, and they regard food as the most important thing. Only when the problem of food for the one billion people is solved can development in the other fields be achieved. After the turbulent years of the Great Cultural Revolution, the question of how to give play to the initiative of the vast numbers of peasants and emancipate the productive forces in rural areas became a major question for China's economic development at the end of the 1970's. This is also why China's reform was first started in the rural areas.

The Third Plenary Session of the 11th CPC Central Committee, which was held at the end of 1978, accepted the policy of reform put forth by Deng Xiaoping and other leaders and decided to shift the focus of party work to socialist modernization. In January 1979, the CPC Central Committee made a "Decision on Certain Questions Concerning Speeding Up Agricultural Development." At the beginning of each of the following two years, a similar document was also issued in order to support and push forward reform of the rural economic structure, that is, to establish and perfect the system of contracted responsibilities with payment linked to output.

The tides of reform swept across the vast rural areas of China. They brought about profound changes in the countryside and fast development of the commodity economy. Peasants were granted decision-making power in production, township and town enterprises were developing vigorously, and rural markets were brisk and prosperous. These changes also promoted reform of the rural political structure. With the establishment of township governments in October 1983, the structure of the people's commune, which was characterized by the integration of government administration and economic management, no longer existed in China's rural areas. This work was basically completed in the spring of 1985. The great role played by this reform in China's economic development has been recognized by all.

With the continuous deepening of rural reform, reform in the cities was carried out step by step. The "Resolution on Reform of the Economic Structure" adopted by the Third Plenary Session of the 12th CPC Central Committee in 1984 pointed out that the Chinese Communists must take the task of promoting social development and progress as their historical mission. It was an indication that the basic ideas for China's economic structural reform had begun to take shape. In 1985 and 1986, rapid development was achieved in China's reform and national economy, and the people's lives gradually improved. Meanwhile, the development of the economic structural reform demanded that political structural reform should be carried out at the same time.

NATIONAL AFFAIRS

The 13th CPC National Congress, which was held in October 1987, proposed to further deepen the economic structural reform and carry out political structural reform in a comprehensive way. In the spring and summer of 1988, it happened that the monetary circulation and the price systems were out of control and thrown into disorder. In 1989, the "4 June" incident occurred. All this made the policy makers and the masses of people understand that when carrying out reform, we should not be overanxious for quick results and that reform cannot be carried out without a stable environment. China is a big socialist country with a big population and vast territory. It is not strange that mistakes and setbacks have arisen in its reform, which is an unprecedented case with no ready experience to copy. Judging from the readjustments made in recent years, we can see that the development of China's reform is stable and its prospects are bright.

In the 1990's, China will carry out its economic construction on a larger scale. The deepening of the economic structural reform will certainly promote reform of the political structure, and political structural reform, too, will naturally bring about faster economic development. At the same time, the development of the socialist legal system and democracy will create a more stable social environment. Economic and political structural reform supplement and benefit each other. They cannot be completed overnight and cannot be done overhastily. China has followed a correct and effective road of conducting and advancing reform step by step and in an orderly way, and China's reform has brought benefit to the people rather than disorder, unemployment, and poverty. This is also an undeniable fact that is obvious to all.

Young Pioneers Commemorate Mao's Memory

HK1204144791 Beijing RENMIN RIBAO in Chinese
6 Apr 91 p 4

[Report by Wang Wei (3769 5588): "Beijing Young Pioneers Hold Meeting in Front of Mao Zedong Memorial Hall"]

[Text] Beijing, 5 Apr (XINHUA)—Today is the Qingming Festival. This morning, to cherish the memory of revolutionary martyrs, more than 2,000 young pioneers in Beijing held a meeting in front of Mao Zedong Memorial Hall. The theme of the young pioneer meeting was "recall the achievements of revolutionary leaders and be good children of the party."

Zhang Muqi, who once worked with Chairman Mao Zedong, told the children stories about Chairman Mao's revolutionary practice in those years, such as visiting the poor, asking about their past bitterness, and maintaining close ties with the masses.

During the meeting, 400 new young pioneers held an oath-taking ceremony and accepted the red ties. They said they would always bear in mind the teachings of the revolutionaries of the older generations, take over the revolutionary torch, and be good children of the party.

They would study hard, make progress everyday, and strive for a more brilliant socialist future.

After the meeting, some representatives of the young pioneers had a forum with some veteran comrades who once worked with Liu Shaoqi, Zhu De, and Zhou Enlai.

This reporter learned that over the past few days, the young pioneers in Beijing have also visited the Babaoshan Revolutionary Cemetery, the Wan'an Cemetery, Li Dazhao's tomb, and the Monument to Young Revolutionary Martyrs to pay respects to the revolutionary martyrs.

Bronze Statue of Zhou Enlai Unveiled in Yunnan

OW1404153191 Beijing XINHUA in English
1347 GMT 14 Apr 91

[Text] Kunming, April 14 (XINHUA)—A bronze statue of late Chinese Premier Zhou Enlai celebrating the water-sprinkling festival was unveiled today in Yunnan Province.

Situated in Dai Autonomous Prefecture of Xishuangbanna, the statue stands 3.2 meters tall, which depicts Zhou Enlai, with a silver bowl in his left hand, an olive branch in his right hand and dressed in the Dai national costume, sprinkling water—a traditional way of Chinese Dai and some other minority nationalities to express their best wishes during the new year festival of the Dai calendar.

The water-sprinkling festival is a part of the new year celebration of the Dai calendar, which usually falls on mid-April.

On April 15, 1961, Zhou Enlai inspected Xishuangbanna and joined local people in the Dai new year celebration.

Military**Jiang Zemin Inspects Hunan PLA Units**

HK1004011191 Beijing JIEFANGJUN BAO in Chinese
20 Mar 91 p 1

[Report by Ma Wangxing (7456 2598 2502) and Zhou Yingcheng (0719 5391 2052): "Chairman Jiang Zemin Inspects Troops Stationed in Hunan, Stresses Use of Science and Technology in Army Modernization"]

[Text] The province of Hunan was full of vitality this March. With great interest, Jiang Zemin, general secretary of the CPC Central Committee and chairman of the Central Military Commission, visited Hunan, inspecting the army units and military institutes in the province, and calling on army officers, soldiers, and the teaching and non-teaching staffs of the institutes. During the inspection, Chairman Jiang repeatedly emphasized a point: Setting store by scientific and technological progress and fostering politically reliable advanced scientists and technicians for this century and the next are the major tasks to be accomplished in the modernization of our army.

At 0800 this morning, Chairman Jiang arrived at the University of Science and Technology for National Defense, accompanied by Li Jinai, deputy director of the General Political Department of the People's Liberation Army [PLA]; Zhu Dunfa, commander of the Guangzhou Military Region; Xiong Qingquan, secretary of the Hunan Provincial CPC Committee; and Chen Bangzhu, governor of Hunan Province. The campus, embraced by luxuriant trees, was astir upon the chairman's arrival. University President Chen Qizhi briefed Chairman Jiang on the many achievements the university had made in high-technology research during the Seventh Five-Year Plan, of which 785 projects had won National Invention Awards or prizes presented by the state, ministries, or state commissions, quite a few serving to fill the gaps in science and technology at home, while others were up to the world's advanced standards. Having heard the briefing, Chairman Jiang said: Science and technology are an essential productive force. To achieve modernization, the state and the army must rely on progress in science and technology. Previous regional wars (especially the recent regional war) have shown us that modern warfare has become high-technology warfare, which is the combination of three-dimensional, electronics, and missile warfare. Backwardness in this respect will leave us in a passive position and vulnerable to attack. The electronics industry is to be one of the industrial branches to be given preference in the modernization program. The University of Science and Technology for National Defense is the PLA's highest institute in military engineering and technology. The party and the Chinese people eagerly hope that you experts and professors working on the front of national defense education will promote the fine tradition of the Harbin Institute of Military Engineering, uphold the education guideline of "being geared to three aspects," and do your best to foster politically reliable advanced scientists and technicians for this century and the next. This is one of the essential tasks to be accomplished in the PLA's modernization program.

Chairman Jiang then toured classrooms, research offices, and laboratories, where he saw the Yinhe [Milky Way] extra-large electronic computer, which can operate at a speed of 100 million operations per second, and the prototype of the magnetic-suspension train, both designed and developed by the university on its own, as well as some other major achievements in scientific research which are up to the world's advanced standards. During his visit, Chairman Jiang inquired in detail about the research into those projects, their technical specifications, standards, and applications, as well as the latest developments in these fields abroad. He said: Scientific and technological achievements should be transformed rapidly into productive forces and combat strength, and should serve economic and social development, as well as army development. The army must set great store by the role of science and technology in its modernization efforts.

Chairman Jiang was particularly concerned for old professors who had been working hard in their careers over

the years. He had a chat with them during his stay on the campus. He cordially talked with Professor Cao Hesun, a well-known aerodynamics specialist of China who used to teach at Shanghai's Jiaotong University before liberation. He asked the professor: "You are now 79 years old, are you not? You look very well. Please take good care of yourself." Professor Cao was moved and said: "Thank you, General Secretary." With deep feeling, Chairman Jiang spoke to more than 30 old professors who had taught for many years: You have taught a large number of students. Many of them are now holding important leading posts in various sectors. So you now have students everywhere across the country. Chairman Jiang placed high hopes on the old professors. He said: You should do a good job in fostering middle-aged and young teachers and maintain the fine tradition in educating the young generations. As far as education for the army is concerned, we are facing a very arduous and glorious task, and you old professors are shouldering heavy responsibilities in this regard.

Chairman Jiang showed great concern for young intellectuals. Wherever he visited, he had cordial conversations with young teachers, undergraduates, and post-graduate students. On one occasion, Chairman Jiang approached a young teacher who was wearing a badge of "Civilian Cadre" on his breast and asked him: "What subjects do you teach?" "I teach Russian, Chairman Jiang." Then Chairman Jiang began to talk with this teacher in fluent Russian. The Russian teacher, who had been teaching Russian for four years, was too excited to speak. President Chen, who accompanied the Chairman, said: "Chairman Jiang, we are all very excited at your inspection here." Smiling, Chairman Jiang said in Russian: "Do not be nervous, just speak slowly." Chairman Jiang's friendliness rapidly calmed the Russian teacher. So he began to talk with Chairman Jiang in Russian. Chairman Jiang urged the school administration to show loving care for young intellectuals while setting strict requirements on them. He said: Young intellectuals are playing an important role in the modernization of the army, and I hope the vast number of young intellectuals will strive to enhance their political quality, develop a strong sense of discipline as well as national pride and self-confidence, and work hard to reinvigorate China.

Around 1100, Chairman Jiang and his entourage arrived in front of the Hunan Provincial Military District Auditorium and cordially met with some Red Army and Eighth Route Army veterans and the principal responsible comrades of the ground force, navy, and air force units stationed in Hunan. He delivered a speech after hearing a briefing by Pang Weiqiang, commander of the provincial military district. He spoke highly of the good job Hunan Province had done in promoting unity between the army and the government and between the army and the people, in running education in national defense for all the people, and in developing the militia as reserve service. He expressed his appreciation for the development of emergency militia detachments, and highly praised the valuable work the provincial military

district had done in organizing the militia to learn from Lei Feng and support local economic construction. He said: Learning from Lei Feng is a fine army tradition; the vast number of PLA officers and soldiers, as well as militiamen as a reserve service, must plunge into the campaign of learning from Lei Feng. Chairman Jiang also emphasized the importance of intensifying reserve defense forces. He said: In peacetime, regarding the development of the army, we must stress the quality of the army. Here "quality" carries two meanings: On the one hand it means the fine quality of weapons and equipment, which must be improved gradually in order of preference; on the other hand, it means to promote a revolutionary spirit. To be sure, in future wars against aggression, we will rely on sophisticated weapons and equipment, but what is more important is the political quality of the personnel and the magic weapon of the people's war, which ensures our triumph over the enemy. Any attempts of subversion, infiltration, and "peaceful evolution" by hostile forces against our country will prove futile before the PLA, the armed police force, the militia, and the broad masses who are armed with Marxism-Leninism-Mao Zedong Thought.

During his inspection in Hunan, Chairman Jiang also called on the officers and fighters of a certain air force unit that had performed illustrious military exploits in defending the motherland's territorial air and in the War to Resist U.S. Aggression and Aid Korea. He had a group photo taken with the members of the air force unit to mark the occasion.

Jiang Zemin, Others Mourn Death of Cheng Zihua

*OWT104001391 Beijing XINHUA Domestic Service
in Chinese 1329 GMT 10 Apr 91*

[By reporter Dou Guangsheng (4535 1639 3932)]

[Excerpts] Beijing, 10 Apr (XINHUA)—Party and state leaders and masses from all communities in the capital, totaling some 1,000, paid last respects to the remains of Comrade Cheng Zihua this afternoon at the auditorium of the General Logistics Department of the Liberation Army.

A CPC flag draped Comrade Cheng Zihua's remains, which were surrounded by flowers and cypress cuttings and were flanked by an honor guard. Wreaths in memory of him were placed on both sides of the auditorium.

Among those who attended the ceremony to pay last respects to Comrade Cheng Zihua's remains and sent wreaths were Jiang Zemin, Yang Shangkun, Li Peng, Wan Li, Qiao Shi, Yao Yilin, Song Ping, Li Ruihuan, Wang Zhen, Tian Jiyun, Li Tieying, Wu Xueqian, Qin Jiwei, Ding Guangen, Bo Yibo, Liu Huqing, Yang Baibing, Wen Jiabao, Wang Ping, Liu Lantao, Li Desheng, Yang Dezhi, Xiao Ke, Yu Qiuli, Song Shilun, Chen Xilian, Hu Qiaomu, Duan Junyi, Geng Biao, Ji Pengfei, Huang Hua, Peng Chong, Ngapoi Ngawang Jigme, Yan Jici, Rong Yiren, Ye Fei, Liao Hansheng, Ni Zhifu, Sun Qimeng, Lei Jieqiong, Wang Hanbin, Wang Bingqian, Song Jian, Wang Fang, Chen Junsheng, Ren Jianxin, Liu

Fuzhi, Wang Renzhong, Hong Xuezhi, Gu Mu, Yang Jingren, Zhou Peiyuan, Zhao Puchu, Qu Wu, Ma Wenrui, Wang Enmao, Qian Weichang, Hu Sheng, Cheng Siyuan, and Hou Jingru.

Other comrades who sent wreaths were Deng Xiaoping, Chen Yun, Li Xiannian, Peng Zhen, Deng Yingchao, Nie Rongzhen, Li Ximing, Yang Rudai, Song Renqiong, Wang Shoudao, Wu Xiuquan, Jiang Hua, Zhang Jingfu, Zhang Aiping, Lu Dingyi, Chen Pixian, Kang Shien, Xi Zhongxun, Zhu Xufan, Seypidin Aizezi, Zhou Gucheng, Chen Muhua, Fei Xiaotong, Zou Jiahua, Zhu Rongji, Li Guiyan, Chen Xitong, Qian Qichen, Fang Yi, Kang Keqing, Pagbalha Geleg Namgyai, Hu Ziang, Wang Guangying, Deng Zhaoxiang, Ba Jin, Liu Jingji, Qian Xuesen, Sun Xiaocun, Lu Jiaxi, Qian Zhengying, Su Buqing, Ismail Amat, Ding Guangxun, and Ye Xuanping. [Passage omitted]

Comrade Cheng Zihua died of illness on 30 March at the age of 86. [Passage omitted]

When Comrade Cheng Zihua was critically ill and after he passed away, Jiang Zemin, Li Peng, Peng Zhen, Deng Yingchao, Nie Rongzhen, Qiao Shi, Yao Yilin, Song Ping, Wang Zhen, Bo Yibo, Song Renqiong, and other leading comrades either personally went to the hospital to see him and expressed consolation to his family or dispatched someone to do so.

Following the ceremony, Comrade Cheng Zihua's remains were escorted by members of the Funeral Office to the Babaoshan Crematory for Revolutionaries to be cremated.

Qin Jiwei Discusses People's Air Defense

*OWT104223391 Beijing XINHUA Domestic Service
in Chinese 1417 GMT 10 Apr 91*

[By correspondent Wang Qiliang (3769 0796 5328) and reporter Chen Hui (7115 6540)]

[Text] Beijing, 10 Apr (XINHUA)—The guiding principle in the future for people's air defense in our country is "longtime persistence, integration of peacetime work with war preparedness, overall planning, and construction of key projects," said Qin Jiwei, minister of national defense and chairman of the State People's Air Defense Committee, at a meeting held today by the People's Air Defense Committee of the Beijing Military Region.

Qin Jiwei said: The State People's Air Defense Committee has put forward an explicit guiding principle for people's air defense during the Eighth Five-Year Plan. "Longtime persistence" means that the people's air defense construction during the new period is a long-term strategic task. "Integration of peacetime work with war preparedness" shows that the people's defense construction should develop under the prerequisite of being subordinate to and serving the cardinal requirement of national economic construction. "Overall planning" reflects the basic demand for the integrated and coordinated development of this work. "Construction of key

projects" indicates the main method to be applied at present to succeed in this work.

He said: The people's air defense construction is a major integral part of national defense construction. Strengthening this work is of great strategic significance to the consolidation of our national defense, the safeguarding of our socialist achievements, and the achievement of the four modernizations. We should fully understand the significance of national defense construction and people's air defense work from the viewpoint of national security and should strengthen people's air defense construction persistently and unremittingly.

Qin Jiwei pointed out: People's air defense work is an all-people task for preparedness against war. When conducting national defense education, we should enhance the masses' awareness with regard to air defense so that all people will be concerned about people's air defense construction and will support it.

The meeting summed up the people's air defense work in north China during the Seventh Five-Year Plan. In addition, tasks for the Eighth Five-Year Plan were set out, and a number of advanced units and individuals in north China received commendations at the meeting. Qin Jiwei praised the people's air defense work in north China, which has led the entire country, and he fully affirmed the achievements scored there.

Leading comrades from the General Staff Department and the Beijing Military Region and from Beijing, Tianjin, Hebei, Shanxi, and Inner Mongolia attended the meeting and delivered speeches.

Article Views New Developments in Air Power

*HK1504073791 Beijing JIEFANGJUN BAO in Chinese
22 Mar 91 p 3*

[Article by Sun Hongwei (1327 1347 0251): "New Developments in Use of Air Power"]

[Text] After World War II, air power grew rapidly and was used broadly in several fairly large-scale regional wars. Even though the origin, scope, and duration of these wars varied, the entry of air power had an enormous impact on the progress and conclusion of the fighting, enabling it to play a prominent role in regional warfare. This interesting change signalled the development of air power application to a new stage. Henceforward, air power would have a profound effect on an army's development, as well as on its capacity to wage war.

The Massive Application of Air Power and its Employment as a First Option, Sometimes Even as the Only Option, Indicate the Growing Prominence of its Status and Role as it Becomes an Important Pillar in Support of a State Strategy

Today, war remains the continuation of politics, as well as the result of a struggle between conflicting parties in pursuit of their respective interests. The regional wars of today often begin in the air, and sometimes air power

alone is used to carry out "surgical type" operations in order to achieve a limited strategic objective. This shows that among the three services in the armed forces, the status of air power is growing, as it plays a vital role in containing and winning regional wars.

Why has air power been pushed into the forefront of the war theater? The reason is that with the growing application of high technology in the creation of aviation weapons and equipment, air power has acquired greater long distance strike capacity. With its radius of operations stretched to more than several thousand kilometers and its payload capacity increased to several times more than during World War II, air power not only has become the fastest and most mobile instrument of the military force, but it also can hit effectively at all kinds of ground, sea, and air targets by taking advantage of its wide scope of action, fierce firepower, and freedom from geographical constraints. According to statistics, of the several hundred thousand men deployed by the U.S. military in the Gulf war theater, 80 percent were transported by air. During the 42-day war, a total of 110,000 sorties were conducted, while a total of more than tens of thousands of tons of ordnance was dropped, far exceeding the equivalent of the atomic bomb dropped by the U.S. forces on Japan at the end of World War II. No other conventional fighting power could match the speed and ferocity of such fighting capability. On the other hand, the use of air power as a first option can contribute to a quick fight, quick withdrawal, and quick conclusion; maintain the element of surprise in war strategy and tactics; and allow for minimum casualties on the attacking side. The possibility of "gains" surpassing "losses" certainly will lead the warring countries involved in regional warfare to emphasize the superiority of air power and reliance on air power to achieve victory in terms of strategic guidance.

It can be expected that regional warfare will remain the dominant feature of shooting wars in the world today. Given a situation in which a political solution has failed, military force—especially air power—and its unique function will become the pivotal force used to deal with this kind of warfare, as well as the principal pillar in support of state strategy.

Air Deterrence Has Grown Increasingly More Effective, and Has Become a Special Form of Air Power, but the Realization of Strategic Objectives Normally Still Requires the Integration of Air and Land, and Air and Sea Power, as Well as the Dual Application of Actual Operations and Deterrence

During a period of relative peace, air power is usually applied in two ways: Actual operations and deterrence. In view of the stepping up of the comprehensive national might of all countries and of the constraints posed by various factors, particularly by the appearance of "nuclear equilibrium," the effectiveness of nuclear deterrence has declined, while that of conventional deterrence has risen markedly. Among conventional fighting power, air power is the most flexible and mobile,

and has the capability to cross borders and continents. Hence, air deterrence has grown increasingly more effective while the strategy of air deterrence has gained more and more emphasis.

In the 1980s, the Israeli air force flew more than 2,000 kilometers to destroy Iraq's nuclear reactor; the U.S. Air Force bombed Libya and invaded Panama. In so doing, it did not hesitate to use massive air power, including the newly completed F-117 Stealth fighter-bomber planes, and guided weapons like laser-guided bombs, creating an imposing and overwhelming posture that manifested the ideology of air deterrence and succeeded in achieving the announced objectives.

The application of air deterrence in the Gulf war was particularly prominent. Backed up by strong air power, the coalition forces first deployed more than 3,500 aircraft in a massive mobilization to achieve absolute qualitative superiority, as well as a numerical superiority of five to one. By carrying out the deployment in front of the Iraqi army so as to create an explosive situation and make Iraq feel powerful pressure from the air, it tried to attain the objective of "defeating the enemy without a fight". Once this static deterrence lost its effectiveness, it immediately used its massive air power to carry out continuous strikes on targets inside Iraq in a bid to "defeat the enemy by aerial warfare". Even though the war was finally concluded by direct clashes between ground troops, strong air power and the strategy of gradually escalating air deterrence had a decisive impact on the outcome of the war.

Facts have shown that the effectiveness of air deterrence goes beyond the military scope, and exercises a formidable political and psychological effect. It is for this reason that air deterrence today has become an important component of the strategy of deterrence and has gained wider application in regional warfare. However, to date there has been no case in the world in which the aims of war were achieved solely by reliance on air power. The principle normally pursued by all countries is still the integration of air, sea, and land power, and the dual application of actual operation and deterrence.

Under the Influence of High Technology, the Application of Air Power Is Oriented Toward Deep Positioning and Also Is Developing in Depth

Air battles of the early days usually were carried out within the scope of vision. Air power was simply an extension of ground artillery, directly supporting ground operations, and completing some supplementary back-up missions. After World War II, aviation weapons and equipment developed rapidly, as the length of time in air was multiplied and the radius of operations extended from the frontline to several thousand kilometers into enemy territory. This provided the material foundation for the conduct of deep, penetrating operations, and thus decided that air power's scope of operations definitely will be oriented toward deep positioning and will develop into the attack of deep targets.

In the third Middle East war, the Falklands war between Britain and Argentina, the Israel-Lebanon war, and the just-concluded Gulf war, almost all primary objectives of aerial strikes were defined as deep targets. While this deep penetration warfare is generally similar to the "carpet bombing" employed in World War II, and the Korean and Vietnam wars, its concrete application has undergone great changes, with the emphasis on the simultaneous conduct of various types of operations, including "carpet bombing," "surgical" strikes, and long-range strikes. The scope of operations of air power covers total depth. "Carpet bombing" enables aerial firepower to cover all the targets in the battlefield and achieve massive neutralization and destruction. "Surgical" strikes drastically raise the probability of target destruction and translate perpendicular fixed bombing [chui zhi ding dian shi hong zha 0987 4160 1353 7820 1709 6575 3498] into reality. The use of precision-guided weapons like air-to-surface missiles to hit long-range targets not only enhances the surprise element of air raids, but also ensures high accuracy.

Total deep penetration operation, which integrates various methods, has boosted the application of air power to a new stage. In future regional warfares, along with the further expansion of aircrafts' scope of operations, air power undoubtedly will play an active attacking role, while deep targets will become the principle objectives of aerial strikes.

The Comprehensive Use of Various Types of High Technology Armaments and Their Combination Into an Aerial Battle Unit Will Become the Fundamental Model in the Application of Modern Air Power, but the General Structure Incorporating New and Old Weapons Will Continue To Exist

A prominent feature in modern regional warfare is the combined use of ground, sea, and air power, which transforms the arena of war into a three-dimensional theater. In particular, air power attracts the greatest attention because of the numerous varieties of aircraft and the complicated models it deploys. According to statistics, the coalition forces deployed more than 30 kinds of aircraft to carry out air strikes during the Gulf war, with most of the aircraft being third- and fourth-generation models. During air raids, all aircraft were guided by AWACS and were organized into excellent formations based on unified planning. They were shaped into aerial battle units that boasted of a coordinated campaign, as well as mobile and flexible tactics, further enhancing the power of the entire structure.

In the other regional wars that have taken place in recent years, the use of air power also has demonstrated a trend favoring high technology and comprehensive coordination. In an air assault operation during the Vietnam war, the ratio of aircraft used by the raid formation and by the auxiliary formation was 1 to 2.65, but this went up to one to four in the 1980s, when AWACS became indispensable while electronic jamming aircraft sometimes made up as much as 25 percent of the entire formation. The

presence of AWACS has raised by more than 30 percent the probability of attacking aircraft hitting their targets. It should be noted that in regional warfare involving the use of air power, many old aircraft models also were deployed. During the Falklands war, even though Argentina did not enjoy advanced air power, it achieved the glorious distinction of downing 18 British ships and won widespread notice in the international community. Even in the Gulf war, in which the largest amount of new weaponry was used, aircraft dating from the 1960s made up the biggest proportion of the total used by coalition forces. In short, modern aerial warfare is a general campaign dominated by high technology weaponry, a combination of new and old armaments, and the comprehensive application of all elements of air power.

Domestic Warplane Industry Develops Rapidly

*HK1404073791 Beijing RENMIN RIBAO
OVERSEAS EDITION in Chinese 12 Apr p 1*

[Report by reporter Zhang Heping (1728 0149 1627): "China's Warplanes Are All Domestically Produced"]

[Text] Beijing, 10 Apr (RENMIN RIBAO OVERSEAS EDITION)—After 40 years of efforts, China now ranks among the several countries that can build different kinds of airplanes, aircraft engines, and airborne equipment on their own. Nowadays, all China's military aircraft are domestically produced, and a good start has been made in the development and manufacturing of civilian aircraft, as well.

Addressing the premiere of film and television film show to mark the 40th anniversary of the founding of China's aviation industry today, an official in charge of the Ministry of Aeronautics and Astronautics Industry pointed out that China's aeronautics industry has become a strong backing for all the services of the air forces as well as the navy air units. The development of fighter planes as a major area of air battle weapons has undergone the evolution from subsonic, transonic, to supersonic aircraft, and from daytime models to all-weather combat models.

China's aeronautics industry has been serving as the important basis for civil aviation. So far a total of 65 Chinese-built Yun-7 feeder-line passenger airliners have been put into commission, safely served more than 200 domestic air routes for over 170,000 hours, and effected 170,000 safe takeoffs and landings. These types of airliners now form the largest aircraft fleet of the Civil Aviation Administration of China. Meanwhile, some Yun-8 and Yun-12 airplanes have been exported, and so far a total of 21 MD-82 trunk-line airliners, products of Sino-U.S. cooperation, have been delivered and are operating well. China's aeronautics industry also is supplying a series of light and small professional aircraft in support of the general aviation service. Four general aviation companies have been established.

China's aeronautics industry has evolved from a closed into an open industry and has built up a number of export-oriented enterprises and export bases. So far, China has developed trade and technical cooperative ties with 58 countries and areas in the aeronautics industry field.

Guan Guangfu Addresses Anniversary Rally

*HK1004080991 Wuhan Huber Provincial Service
in Mandarin 1000 GMT 4 Apr 91*

[Excerpts] This morning a rally marking the 50th anniversary of the founding of the Fifth Division under the New Fourth Army was solemnly held in Wuchang's (Hongshan) Auditorium. Provincial party, government, and military leading comrades and more than 1,000 veteran comrades who formerly belonged to the New Fourth Army, the anti-Japanese democratic base at the Hubei-Henan border area, and the Zhongyuan [Central Plains] Military Region got together happily to celebrate the brilliant day.

Provincial party and government leading comrades Guan Guangfu, Qian Yunlu, Chen Ming, Shen Yinlo, Shi Chuan, and Zhang Huainian attended the rally. Members of the Central Advisory Commission who were in Wuhan, including Zhang Caiqian, Han Ningfu, Xia Shihou, and others, were also present at the rally.

The rally was presided over by Chen Ming, chairman of the provincial Advisory Commission, and concurrently chairman of the provincial Party History Committee under the provincial CPC Committee. On behalf of the provincial CPC Committee and provincial government, provincial party Secretary Guan Guangfu first conveyed his warm congratulations to the rally, and extended his cordial greetings and lofty respects to veteran comrades and leaders. He also deeply cherished the memory of revolutionary martyrs who sacrificed their lives during war years and of veteran comrades who died after the founding of the PRC. [passage omitted]

Guan Guangfu stressed that we should learn from the revolutionary spirit of the New Fourth Army, and inherit the fine tradition of the revolutionaries of the older generation. This still is of great practical significance to building socialism with Chinese characteristics. We should unite still closer around the CPC Central Committee, with Comrade Jiang Zemin as its core; persist in the party basic line; inherit and carry forward the glorious tradition of the party; rely on our own efforts; struggle hard and build up our country through thrift and hard work; and do various work in Hubei well to ensure that the red political power established by revolutionaries of the older generation through their bloody battles over several decades will never change color.

Zhang Caiqian, member of the Central Advisory Commission and former commander of Wuhan Military Region, reviewed the glorious career of the Fifth Division. He said: We come together here today to review and praise the great achievements and contributions of the Fifth Division. Our purpose in doing so is precisely

to inherit and carry forward the glorious tradition of the years of revolutionary war; consciously keep in line with the CPC Central Committee ideologically and politically; fight bourgeois liberalization ideological trends that negate the party leadership, the socialist system, and the history of Chinese revolution; and combat international hostile forces that pursue peaceful evolution tactics against China. We should forge close ties with the masses to implement the party mass line, strive firmly and unwaveringly for building socialism with Chinese characteristics, and devote our remaining years to the development of the Chinese nation.

Commentator Urges Development in Military Work

*HK1004031791 Beijing JIEFANGJUN BAO in Chinese
20 Mar 91 p 1*

[Commentator's article: "Accomplish Something in Reform and Trail Blazing: Talk on Striving for New Developments in Military Work by Overcoming Difficulties (Part Two)"]

[Text] To seek new development in military work, a very important point is to accomplish something in reform and trail blazing. Only by tapping potentials in reform and seeking quality, development, and a way out can we stimulate vigor and vitality in the training mechanism and ensure smooth progress of military training.

Vice Chairman Yang Shangkun of the Central Military Commission pointed out at the All Army Forum on Education and Training Reform in 1983: "The core of education and training reform lies in a reform of content." Later, he again stressed that "the army's modernization process is one of continuous reform." To this end, the general headquarters laid down guidelines for reform: To meet the strategic change in the guiding ideology of army building, in light of the characteristics and requirements for modern warfare, with training contents as the core, and with the training system as a breakthrough, it is necessary to reform military training systematically and in a planned and gradual manner, lay a solid foundation, pay close attention to application, enhance combined capacity, improve quality, and accelerate combat effectiveness. In light of this guiding ideology, officers and men of the whole army have made useful explorations over the years to develop new training contents and a new training system. The new regulations and outline for training promulgated last year embody the reform achievements of officers and men of the whole army.

Nevertheless, reform and innovation of training cannot stop at this point. We should continue to promote reform focused on improving the quality of training. Viewed realistically, to continue training reform it is necessary to increase our awareness of the following three things.

First, it is necessary to seek further unity of thinking on spreading the achievements of training reform. The qualities of some officers and men have been poor

because of the failure of some units to carry out training in recent years. Moreover, some comrades attributed the mistakes and defects that occurred in the course of reform explorations to reform. This gave rise to the practice of each acting as he pleased in implementing the reform-spirited new training methods. Units continued to organize training in light of their past familiar experience and methods. Some even went in for formalism, resulting in loopholes, deviations, and negligence in training. This tendency must be checked. It should be clear that implementation of training regulations itself constitutes deepening of reform. Army training should be organized by following the road of reform. Only by doing so can we improve the quality of training.

Second, regarding the objective of reform, we should not seek far and wide what lies close at hand. For a period of time, some leading comrades in charge of practical work were not interested in studying and resolving problems involving the poor quality of training. Instead, they took pains to engage in the impractical "advanced study." The "theses" turned out through such exploration seemed fashionable, but they were of no significance at all to army building. Naturally, the research institutes and academic departments can make tentative ideas on warfare and army building in the 21st century, but training reform, which has a strong practical nature, must focus on guiding the army's practical work.

Third, the foothold of reform cannot deviate from existing equipment. Whenever we talk about modernization of the means and methods of training, some comrades think of high technology and sophisticated weapons, believing that nothing can be achieved with available weapons. If this negative mood is not dispelled, it will be impossible to make a success of training reform. We must face the following reality: Available weapons cannot be replaced and upgraded overnight. The purpose of training reform is to make the most of available weapons and realize their greatest capacity. This should be the basic point of education in military academies and army training.

Training reform is a major issue in army building. Over the past decade or so, officers and men of the whole army have put in much hard work and have achieved remarkable successes. In the years ahead, we should continue to work hard to consolidate and develop the achievements of reform and further increase the army's combat effectiveness.

Urges Strict Army Management

*HK1504141891 Beijing JIEFANGJUN BAO in Chinese
21 Mar 91 p 1*

[Commentator's article: "Accomplish Something in Managing Army Strictly: Talk on Striving for New Developments in Military Work by Overcoming Difficulties (Part Three)"]

[Text] In the Warring States period, when people of great power and influence were scrambling for supremacy, the Count of Wu in the State of Wei asked Wu Qi, a noted

general at that time: "How do soldiers win a war?" Without the least hesitation Wu replied: "By management." Soldiers who are managed strictly are "matchless in the world," while those lacking management are useless even if there are a million of them. In fact, all farsighted military strategists in modern and ancient times, in China or elsewhere, regard strict management of the army as the basis for a victory.

Given the current situation, we persist in managing the army strictly, for it has a strong bearing not only on whether or not the troops can maintain their high degree of centralism and unity and be able to stand tests in a peaceful environment, as well as a complicated situation, but also on whether or not we can overcome difficulties and open up a new situation in military training and management work.

Fundamentally speaking, strict management of the army means that it is necessary to manage the army according to the law, i.e., training and managing army units in strict accordance with rules and regulations. This is an important guarantee for army units to generate, maintain, and enhance combat effectiveness and a basic indicator of a regular army. In recent years, in line with the special features in the new period, our troops have vigorously improved military legislation. Major military decrees and regulations, including the new common regulations and the military training and equipment management regulations, have been drafted and promulgated one after another. Judging by the reality, the principal problem in army management is no longer one of having no rules to go by, but one of not fully observing or enforcing rules. This is the main reason why some army units still have not established a regular order in terms of war preparedness, training, work, and living.

To accomplish something in managing the army strictly, an urgent matter at the moment is to enhance the sense of rules and regulations on the part of commanders at all levels and improve their capabilities to manage the army according to those rules and regulations. In the past, because our military legal system was not perfect enough, many commanders did not know or were not used to the method of training and managing the army according to rules and regulations. This makes it necessary to improve the study and training of commanders at all levels on managing the army according to rules and regulations, and to organize them to conscientiously study various decrees and regulations on army training and management promulgated by the military commission so that they can become familiar with and master the procedures and methods. Commanders should also regard management of the army according to rules and regulations as a branch of learning to be studied and constantly make inventions and accumulate experience. Last year, by organizing all-army training on teaching methods and military rules and regulations on two occasions the general departments achieved some results in this field. This year, all army units should make further efforts to spread the achievements of the two training sessions and adopt the method of one level

leading another level to help more commanders raise their ability and skill. Moreover, we should seriously rectify the phenomena of failing to fully observe or enforce rules and regulations or to look into violations of rules and regulations, make further efforts to establish the authority of decrees and regulations, and enhance the consciousness of the large numbers of commanders to manage the army strictly.

To accomplish something in managing the army strictly, it is extremely important for commanders to have a sense of responsibility and dedication. Without serious implementation by good commanders, rules, regulations, and systems will become pieces of blank paper, no matter how good and perfect they may be. Managing the army according to rules and regulations is an arduous and meticulous task. It requires much painstaking labor and sweat in strict, regular training and management. Only when commanders have a strong sense of responsibility and dedication can they be conscientious and meticulous in exercising management without fear of difficulties. Managing the army is also a task filled with trouble, difficulties, and risks. If we want to be strict, we certainly will face many conflicts, obstacles, and even some resistance. Only when commanders have a very strong sense of responsibility and dedication can they be bold in upholding the principle, overcoming difficulties, and solving problems without thought of gain or loss. We should rely on education to enhance the sense of responsibility and dedication of the large numbers of commanders so they can gain a clear understanding of the significance of the mission entrusted by the party, state, and army and have the ideal of dedicating themselves to national defense. Moreover, we should improve inspection and supervision over the work of commanders in managing the army and be strict and fair in meting out rewards and punishments. Those who scrupulously fulfill their duties and are highly successful in managing the army should be commended and rewarded in good time; those who neglect their duties should be admonished or punished in good time. We should promote strict management of the army with strict management of commanders.

To be highly disciplined and have a fine work style, we should have strict training, and more importantly, long cultivation. Therefore, leaders at all levels can attain results only when they, in keeping with the demands of military commission's leading comrades, regard persistently strict management of the army as a prominent issue that they should always stress to solve in peacetime and be always on the alert. Our comrades should see the difficulties of constantly and perseveringly managing the army strictly in peacetime. When there is no war, we are apt to be slack; when there is no strong enemy confronting us, we are apt to be content with the existing state of affairs. This makes it necessary for leading organs at all levels and all commanders to maintain a clear head and persist in managing the army strictly. By so doing, we certainly will be able to bring up well-trained, highly disciplined army units with a perfect work style in a peaceful environment.

Stresses Work Targets

*HK1504144091 Beijing JIEFANGJUN BAO in Chinese
22 Mar 91 p 1*

[Commentator's article: "Accomplish Something in Ensuring Implementation: Talk on Striving for New Developments in Military Work by Overcoming Difficulties (Part Four)"]

[Text] The General Staff Department work conference held a short time ago stressed that to initiate a new situation in military work, we must ensure implementation in two aspects: One is the implementation of targets in terms of troops, training, time, content, and quality as stipulated by the Central Military Commission; the other is the implementation of regular war preparedness, training, work, and living order.

It is not at all easy to accomplish these two aspects. In recent years, quite a few comrades sighed with regret: Training and management are most frequently talked about, but most difficult to put into practice. Why are they so difficult? Many facts show that apart from such objective factors as inadequate understanding of the importance of peacetime military work, shortages of outlay, obsolete equipment, and poor material protection, there are other important reasons; i.e., the guiding ideology of some leaders and organs is not so correct, the leadership style is not very sound, and the working method is not appropriate. If these problems are not well resolved, it will be impossible to put these implementations into effect, and there is a danger that initiating a new situation in military work will come to nothing.

Seeking truth ideologically is the precondition of work implementation. For those comrades doing military work, seeking truth means taking a practical attitude to wholeheartedly enhancing the troops' combat power. In the past few years, one cannot say that some leaders and organs did not make great efforts to ensure training and management work, but more often than not they exhausted their energies in doing flashy jobs without substance. They did not adequately implement all the rules and regulations on training and management definitely transmitted to them by the general departments of the military commission. Some of them aimed at winning prizes and medals, paying exclusive attention to items for assessment and competition, which resulted in serious imbalance and omission of training and failure to master many actual combat skills stipulated in the outline. Some others exerted themselves in doing "superficial jobs" just to win commendations from their superiors, and they made a fuss and dragged in a lot of people, thus wasting both money and time and, instead of achieving regularization of the troops, disrupting their normal work. This shows that correct guiding ideology is of paramount importance in implementing training and management work.

Flabby work style is the archenemy that impairs military work implementation. Some comrades like to sit in the office doing statistics, listening to briefings, or staying in

the guest house giving guidance. How can such practices hit the vital points of troop training, management, and other work? Military training and troop management are very concrete and meticulous work with high practicality. Leading cadres at all levels should take the initiative in work and take part in practical activities to transform military work. Therefore, it is necessary to vigorously advocate the spirit of assiduous and thorough work. In guiding training, they should go down to the training ground and crawl and roll around with officers and men; in taking charge of management work, they should help company cadres and soldiers solve knotty problems. Leaders and organs should place the focus on doing a good job of daily basic work. For training and management, they must proceed unit by unit, link by link, and item by item, work steadily and make solid progress, striving for practical results, but not just for a show of strength.

Improving leadership art is also of great significance for ensuring implementation in military work. Training and management are all complicated work of overall importance, involving various departments and sectors. If each does what he thinks is right, and each unit acts in its own way, we simply cannot do a good job of implementation but may cause unnecessary conflicts and internal exhaustion instead. Thus, leading cadres at all levels are required to have the general situation in mind, make overall planning, do a good job in coordination, and promote implementation with joint efforts. Moreover, care also must be taken to grasp work rhythm. We not only should firmly ensure and seize every minute, but also should give consideration to the tolerance of the basic levels and refrain from eagerness for quick successes and instant benefit.

CPC 'Unscrupulous' To Maintain Army Stability

*HK1004025591 Hong Kong CHENG MING in Chinese
No 162, 1 Apr 91 pp 16-18*

["Notes on the Northern Journey" by Lo Ping: "Writers' Joint Letter That Stings Yang Baibing"]

[Text]

Effective Writers of Shenyang Military Region Ask People's Liberation Army [PLA] General Political Department To Restore Justice

Endless complaints have been raised against Yang Baibing since he began activities which repudiate the book *White Snow, Red Blood*. Army writers expressed their low-key resentments, which Yang Baibing could not stomach, and have escalated into a storm which bothered Deng Xiaoping.

On the eve of the spring festival, the PLA General Political Department called a forum for cadres in charge of culture and propaganda from the Shenyang, Beijing, Nanjing, and Guangzhou Military Regions. At the same time, JIEFANGJUN WENYI Publishing House also invited some army writers in Beijing to a forum.

The General Political Department's forum took place at the department's guest house. A report delivered by Deng Liqun was scheduled. The cadres' abhorrence of repudiating "White Snow, Red Blood" and "bourgeois liberalization" could be keenly felt upon their arrival in Beijing, especially among the approximately 30 cadres of the Shenyang Military Region who arrived with the goal of asking the General Political Department to restore justice. Throughout, the forum was shrouded with an uncongenial atmosphere.

Implication of Joint Letter by 35 Writers

Likewise, such atmosphere shrouded the forum convoked by JIEFANJUN WENYI Publishing House. The 35 writers in Beijing participating in that forum wrote a joint letter to the Central Military Commission expressing their views on the current issues in literature and art. The forum in question was different from that of the General Political Department; however, people participating in those two forums contacted each other, exchanged views, and naturally, the joint letter by the army writers was passed around at the General Political Department's forum.

The joint letter stresses the importance of letting a hundred flowers blossom, letting a hundred schools of thought contend, while giving prominence to maintaining the army's stability. It implies the need to avoid pursuing an ideological and political repudiation campaign inside the army, without mentioning a word about opposing "tendencies of bourgeois liberalization." To avoid the interception and banning of the joint letter, some army writers initialing the joint letter managed to solicit, through various channels, the opinions of Nie Rongzhen, Wang Zhen, and Yang Shangkun. (It was said that Yang Shangkun showed some respect to army writers and artists, and would lend an ear to their views, but probably only as a facade.)

Yang Baibing's Four-Point Proposal To Add Pressure Sparks Popular Indignation

When the joint letter fell into Yang Baibing's hands, the hawkish ultraleftist General Political Department director was furious. He stated: First, the army writers were pressuring the General Political Department and party in the form of a joint letter, which was an activity of underground contacts in violation of organizational principles. Second, the joint letter had a very strong tendency, which spelled resentment against repudiating a foul book. And third, the General Political Department should discuss whether there was need to place the case on file for investigation and prosecution. In addition, Yang Baibing gave the order that all writers who initialed the letter promptly return to their units to accept organizational criticism and education.

When the General Political Department relayed Yang's four-point instruction, it roused even stronger resentment at the General Political Department's forum. The senior cadres participating in the Beijing forum on cultural and propaganda work unanimously believed

that it would be very difficult to relay Yang's four-point instruction to the troops. Many participants openly opposed Deng Liqun's scheduled report at the forum. For fear of the state of affairs worsening, the Central Military Commission ordered a temporary suspension of the two forums before Spring Festival.

Deng Xiaoping Expresses His Position: "Do Not Always Pick On Writers"

During Spring Festival, army writers continued to contact each other, and some old cadres spoke for them. Later, through some channel, the letter eventually came into Deng Xiaoping's hands, and he wrote an instruction on it and had it sent to Jiang Zemin, Yang Shangkun, and Liu Huqing. Again, Deng Xiaoping settled the issue and said: Do not always pick on writers; their enthusiasm should be protected and attention should be paid to their opinions. In addition, Deng gave the instruction that the General Political Department's four-point proposal be shelved.

Shortly after Spring Festival, Yang Shangkun personally called a Central Military Commission Office session to relay Deng Xiaoping's opinion. In a mild criticism, Yang said, opinions can be directly sent to the party group and the Central Military Commission from now on. I do not think it appropriate to resort to the form of a "joint letter or open letter," which is liable to create an opportunity for the enemy to spread rumors.

Deng Xiaoping Worries That a Wider Scope of Struggle Will Affect Army's Feeling

At the Central Military Commission Standing Committee session called in late February, the General Political Department's four-point proposal was officially revived. Therefore, it was spread far and wide among army cultural tiers in Beijing that Yang Baibing had stumbled on that occasion.

How do we account for the difference between Deng Xiaoping and Yang Baibing on the recent occasion of repudiating a "foul book" and opposing bourgeois liberalization inside the army? The major cause was that Deng Xiaoping had seen through Yang Baibing's attempt to exclude outsiders under the pretext of repudiating a "foul book" and liberalization; in addition, resulting from magnifying the struggle, universal resentments were roused in the army's cultural and propaganda departments, thus playing a strong negative role in the army's stability and unity.

Yang Baibing's pursuit had markedly deviated from Deng Xiaoping's "supreme instruction" that "stability, especially the army's stability, stands above all else." Thus, since last winter Deng Xiaoping has continued to dampen Yang Baibing's enthusiasm inside the party. Some old cadres inside the party expressed their support for the writers; in actual fact, they were attacking Yang Baibing. Despite the fact that Deng Xiaoping was the first to decide to "oppose bourgeois liberalization," at that particular moment, he opposed using "opposing

"bourgeois liberalization" as a pretext for other pursuits, while affecting and jeopardizing the stability of the party, government, and army. Because he believes that without stability, everything is out of the question, he stresses that "opposing bourgeois liberalization" must be conducted under the prerequisite of absolute stability. Since mid-January, Deng Xiaoping has repeatedly given instructions to the Central Military Commission to the effect that there should be some difference between the army and localities; regarding the former, positive education is primary, and the army should refrain from mass and exaggerated repudiation.

Yang Baibing Sets Up Secret Files on Writers Initiating Joint Letter

Although a storm broke out during the two forums, Yang Shangkun said: "That is an internal affair concerning our army's ideological and political work and should not be spread around." As a result, the two forums and the "problem" they sparked were not covered by JIEFANGJUN BAO but dealt with as "internal issues." However, news has recently spread from army writers in Beijing that Yang Baibing would not let the matter rest there. The General Political Department has already had access to the dossiers of all 35 writers and other relevant materials. Thus, some writers are worrying that Yang Baibing may seek vengeance later. Others are trying to find ways to seek patrons and protection. Because the forum called by the JIAFANGJUN Culture and Art Publishing House brought about the "trouble," it has been singled out for criticism by the General Political Department on other issues. According to publishing house sources, the General Political Department has already decided to reorganize the publishing house leading body in April and May, and one of Yang Baibing's pretexts was that the publishing house lacked a sense of organization and discipline in sponsoring the forum in question without official approval of the General Political Department.

The "2113" That Controls Army's Thinking

Externally, the army seems to be a unified monolithic bloc, but deep down, it is simmering with problems. As disclosed by an internal circular issued by a military discipline inspection commission, Yang Shangkun admitted that cases of the following types are abundant: law-breaking, rifle theft, deserters, bad elements infiltrating the army, and succumbing to enemy and spy organizations' broadcasts.

However, ideological control over the troops is the strictest nowadays. Since last August and September, the General Political Department stipulated that only "2113" are permitted in a company, namely, two papers, RENMIN RIBAO and JIEFANGJUN BAO, one TV set, one radio, and three journals, ZHONGGUO QINGNIAN, JIEFANGJUN WENYI, and QIUSHI; in addition, there are voluminous copies of "Selected Works of Mao Zedong" and "Selected Works of Deng Xiaoping." Some units have also stipulated that their political

instructors are authorized to read soldiers' letters from their families and diaries and to ask soldiers to write reports on their ideological remolding; thus, the soldiers' least of human rights were stripped away.

The "Six Manys, Two Fews, and Two Incapables" in the Army

Aside from professional armed services, the elements in the army are characterized by "six manys, two fews, and two nevers;" namely, many are illiterate, many wish to be recruited to the party (party membership is favorable for work arrangements after demobilization), many wish to be promoted to the cadres' rank, many wish to stay in the city after their demobilization, many wish to render meritorious services and be awarded, many wish to become heroes (also favorable for work arrangements after demobilization), and many cadres and soldiers report others' problems to the leadership as an expression of being close to the organization. "Two fews" refers to few soldiers having an educational background higher than secondary middle school, and few soldiers hailing from the city. And "two incapables" refer to soldiers being incapable of talking and being incapable of using their brains.

Marx and Engels said that the slaves in a slave society were talking tools. Today, Yang Baibing and his ilk have reduced the "people's army" into mute tools!

Behind a Rush Job of Recruiting Party Members

Because the main source of soldiers is the impoverished rural areas, most soldiers will not return home upon demobilization. Thus to be recruited to the communist party, promoted as a cadre, and obtain a work arrangement in the city are like three nooses around a soldier's neck. Hence, the phenomenon of absolute obedience to the party's order and "fight" in the direction the party points. Before the "4 June" incident, the Central Military Commission stressed that attention should be paid to educational background and the urbanity in recruitment of new soldiers; but this principle has since been changed. The Central Military Committee has stipulated that 80 percent of new recruits should come from rural areas. Early this year, the General Political Department required the whole army to look upon recruiting party members among soldiers as an important political campaign, while explicitly demanding that a company's number of party members should not be less than 55 percent of the whole unit.

In actual fact, recruiting party members among soldiers will make the dream of some soldiers come true, turning their wish to be promoted and stay in the city into a reality. To acquire party membership as quickly as possible, some soldiers have sent gifts to the company commander and political instructors. The commander and political commissar of an artillery brigade stationed

in Beijing colluded with each other in recruiting 32 party members in a rush job between last August and January 1991, accepting cash between 500 and 1,000 yuan from each of the new recruits. To obtain party membership, some soldiers would even let their visiting wives go to bed with the company commander or political instructor. The practice was revealed in mid-January last year when the wife of a soldier from Hubei cut a political instructor's belly with a knife because she could not stand being raped by the company commander and political instructor in turn. When the superior sent men to investigate the case, the soldiers, anxious about being purged from the party organization, sang the praises of the company commander and political instructor

instead. What pitiful "soldiers who are the people's sons and brothers" Yang Baibing and his ilk have molded!

These things show that the CPC has become unscrupulous to maintain the army's stability. On the one hand, it has amplified ideological and political control; on the other, with recruitment to the party, promotion, and staying in the city as baits, they are gaining the soldiers' absolute obedience in return. Trying to win support of the rank and file with such abnormal means only proves that the rank and file have already turned their backs on the CPC and the party of octogenarians. Yang Baibing is not sitting in an armchair but on top of a volcano that will erupt any day.

East Region

Shandong Congress Committee Meeting Ends

SK1404052791 Jinan Shandong Provincial Service in Mandarin 2200 GMT 13 Apr 91

[Text] After satisfactorily accomplishing all items on the agenda, the 21th Standing Committee meeting of the seventh provincial People's Congress ended on the afternoon of 13 April at the meeting hall of the provincial People's Congress Standing Committee at Jinan Zhenzhuquan Auditorium.

The participants at this meeting unanimously adopted the work report of the provincial People's Congress Standing Committee and decided to submit it to the fourth session of the seventh provincial People's Congress for examination and discussion. They adopted the draft of the items on the agenda of the fourth session of the seventh provincial People's Congress and decided to submit it to the preparatory meeting of the fourth session of the seventh provincial People's Congress for examination and discussion. They adopted the draft of the namelists of the presidium and secretary general of the fourth session of the seventh provincial People's Congress and decided to submit it to the preparatory meeting of the fourth session of the seventh provincial People's Congress for election.

Through examination and discussion, and in line with the suggestion of Governor Zhao Zhihao, the meeting's participants decided to remove Lin Luotian from his post as director of the provincial supervisory department.

Lu Hong, vice chairman of the provincial People's Congress Standing Committee, presided over the meeting. Attending the meeting were Li Zhen, chairman of the provincial People's Congress Standing Committee; Xiao Han, Wang Shufang, Xu Jianchun, Lin Ping, Yan Qingqing, Li Ye, and Ma Xutao, vice chairmen of the provincial People's Congress Standing Committee.

Attending as observers were Li Chunting, vice governor of the province; Yu Peigao, president of the provincial higher people's court; Zang Kun, chief procurator of the provincial people's procuratorate; members of some special committees under the provincial People's Congress; responsible comrades of various working departments under the provincial People's Congress Standing Committee; responsible comrades of pertinent departments under the provincial government; and responsible comrades of People's Congress Standing Committees in various cities and People's Congress working committees in various prefectures.

Shandong Trade Union Council Chairman Elected

SK1504003891 Jinan Shandong Provincial Service in Mandarin 2200 GMT 13 Apr 91

[Text] It was learned from the third enlarged session of the ninth provincial Trade Union Council, which ended in Jinan on 13 April, that Wang Huaiyuan, member of

the Standing Committee of the provincial party committee, was elected chairman of the provincial Trade Union Council. As a result, a resignation submitted by Yang Xingfu, former chairman of the provincial Trade Union Council, was approved by this session.

Wang Huaiyuan, the newly elected chairman of the provincial Trade Union Council, addressed the session. Some Standing Committee members and members of the ninth committee of the provincial Trade Union Council were elected or by-elected at the session. On behalf of the All-China Federation of Trade Union Councils and the State Planning and Economic Commission, the session also presented certificates of merit to 10 advanced collectives and 43 activists who won awards at the national campaign on offering proposals for rationalization and improving technology.

Prior to the session, Ma Zhongcai, deputy secretary of the provincial party committee, and Tan Fude, member of the Standing Committee of the provincial party committee and director of the Organization Department, visited all comrades attending the session.

New Party Secretary of Shanghai Appointed

OH1304082991 Beijing XINHUA in English 0806 GMT 13 Apr 91

[Text] Shanghai, April 13 (XINHUA)—The Central Committee of the Communist Party of China (CPC) has decided to appoint Wu Bangguo secretary of the CPC Shanghai Municipal Committee and to relieve Zhu Rongji from the posts of secretary, Standing Committee member and member of the CPC Shanghai Municipal Committee.

Zhu has just been made vice-premier of the State Council.

Shanghai People's Congress To Elect New Mayor

OH1304031091 Shanghai Voice of Pudong in Mandarin to Taiwan 1000 GMT 12 Apr 91

[Text] The Ninth Shanghai Municipal People's Congress Standing Committee, at its 26th meeting yesterday afternoon, decided to convene the Fourth Session of the Ninth Shanghai Municipal People's Congress on 22 April and to hold a preparatory meeting on 21 April. Deputy Secretary General (Xu Zuxiong) revealed at yesterday's meeting that in accordance with the relevant provisions of the municipal People's Congress Rules of Procedures, four rows of seats will be designated as observers' seats for a small number of workers, college students, and women to be invited to observe the coming session of the People's Congress.

(Xu Zuxiong) said: This will be the first time that citizens will be invited to observe a People's Congress session. At a chairman's meeting, a measure was put forward to allow citizens to observe the coming session. It will be implemented after it is approved by the Standing Committee of the People's Congress.

On the question of session's agenda, (Xu Zuxiong) said: At its fourth session, the Seventh National People's Congress decided to appoint Zhu Rongji as vice premier of the State Council. Zhu Rongji already has submitted a request to the municipal People's Congress to resign from his post as Shanghai mayor. In light of this new development, the chairman's meeting proposed to add to the agenda of the Fourth Session of the Ninth Shanghai Municipal People's Congress the deliberation and approval of Zhu Rongji's resignation and the election of a new mayor.

Shanghai Appoints Non-CPC People to Posts

*OW1404085891 Beijing XINHUA in English
0759 GMT 14 Apr 91*

[Text] Shanghai, April 14 (XINHUA)—Shanghai Municipal People's Congress has just appointed two democratic party members as vice-president of Shanghai's Higher People's Court and deputy chief procurator of its people's procuratorate respectively.

The newly-appointed Vice-President Li Changdao is a member of the Jiusan Society and the Shanghai Municipal Committee of the Chinese People's Political Consultative Conference (CPPCC).

Being the head of the Law Department of Shanghai's Fudan University, he is also vice-president of the Society of Lawyers on Both Sides of the Taiwan Strait and has participated in the work to draft the Hong Kong Basic Law.

Yu Yunbo, now deputy chief procurator, is vice-chairman of the Shanghai Municipal Committee of the China Zhi Gong Dang (or Party For Public Interest), member of the CPPCC National Committee and deputy secretary general of the Shanghai Municipal Committee of the CPPCC.

According to municipal authorities, this is the first time that democratic party members held leading posts at the municipal judicial department and procuratorate.

Statistics show 20 out of the 21 districts and counties in Shanghai now have members of democratic parties as deputy heads of the local governments.

Shanghai Opens Research Center to Foreign Firms

*OW1504030591 Beijing XINHUA in English
0213 GMT 15 Apr 91*

[Text] Shanghai, April 15 (XINHUA)—A micro-electronics research base in Shanghai's Caohejing new Technical Development Zone has just opened to foreign enterprises.

The base is equipped with advanced scientific research equipment and employs a large number of research workers who can produce more than 30 types of electronic products.

The research base will offer overseas enterprises such services as product development, small-scale production, short-term product delivery, and contracted special integrated circuit design.

Listed as one of the key projects aided by the state in the Eighth Five-Year Plan period (1991-95), an expansion project of the base is being jointly undertaken by the Shanghai Research Institute of Metallurgy under the Chinese Academy of Sciences and the Shanghai Municipal Government.

Central-South Region

Guangdong Governor Admits Corruption in Province

*HK1504110091 Hong Kong AFP in English 1033 GMT
15 Apr 91*

[Text] Hong Kong, April 15 (AFP)—The party chief in Guangdong has said China's most affluent province is built on foundations undermined by corruption and bureaucracy, a magazine reported here Monday.

Ye Xuaping, the southern Chinese province's party secretary [title as received], made the statement at a recent provincial meeting, the China-watching WIDE ANGLE [KUANG CHIAO CHING] monthly said in its latest edition.

"How corrupted we have become... is difficult to tell. But all signs indicate that some of our local-level governments can't brace any more storms," Mr. Ye was quoted as saying.

Guangdong "would not have survived" had the Tiananmen turmoil started there and not in Beijing, said Mr. Ye, son of late Marshal Ye Jianying, who was a key founder of communist China in 1949.

"Our biggest problem is that we have bottlenecks in our (economic reform) system," he said. "The 'money first' attitude is a very bad corrosive agent."

"You can't get anything done without using money to bribe your way through connections...and some of our party officials would do anything for money," he said.

Rampant smuggling along Guangdong's coastline—featuring cars stolen in Hong Kong in recent months—showed how "smugglers conspire with political and security organizations at the local level," he said.

Mr. Ye also acknowledged that some "local governments and party officials not only failed to stop but actually expressed support" for the manufacturing and selling of fake goods in the province.

The Guangdong chief was recently promoted to vice chairman of a Beijing advisory body, the Chinese People's Political Consultative Conference.

Guangdong Disciplines Cadres for Building Houses

HK1504032591 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 12 Apr 91

[Text] Yesterday afternoon, on behalf of the provincial party committee and the provincial government, Wang Zongchun, the provincial party committee's standing committee member and provincial discipline inspection commission secretary, made an announcement at a meeting of responsible persons of various city leading groups for implementing the provincial party committee's Document No. Six.

He said: Our province has scored notable results in the work of investigating and disciplining cadres who have built private houses by abusing their powers. As far as the whole province is concerned, we have achieved the desired results. However, a few areas should still make continued and redoubled efforts in this regard, firmly and successfully grasp this work, and carry it through to the end.

The meeting held that the achievements our province has scored in investigating and disciplining cadres who have built private houses by abusing their powers over the past two years are mainly demonstrated by the following results:

We have ascertained major problems relating to cadres building private houses or decorating their homes. Statistics show that since February 1983, some 22,800 out of more than 41,000 cadres who have built private houses in our province have been financially dealt with in accordance with the relevant stipulations. Investigations show that of these cadres, 369 people have embezzled public funds, taken bribes, used public funds for other purposes, or violated financial disciplines and law.

We have handled cases of cadres building private houses, decorating their houses in a way that is incommensurate with their ranks or positions, or building huge, private courtyard houses;

We have investigated and handled a number of cases of cadres seeking private gain by seriously abusing their powers, as well as some law-violation and discipline-violation cases, cracking a series of major cases of this nature and punishing a total of 486 people in accordance with the party and government discipline and the law.

We have established and perfected our administrative system regarding cadres building or obtaining houses, basically put an end to the wrongful practice of cadres building and obtaining houses by abusing their powers, and solved housing problems for a large number of cadres and masses.

Guangzhou Sentences Corrupt Cadres to Death

HK1404030791 Beijing ZHONGGUO XINWEN SHE in Chinese 1305 GMT 8 Apr 91

[Report by Mo Fei (5459 7236): "Guangzhou Sentences Corrupt Cadre Yi Fang to Death"—ZHONGGUO XINWEN SHE headline]

[Text] Guangzhou, 8 Apr (ZHONGGUO XINWEN SHE)—The Guangzhou Intermediate People's Court today sentenced Yi Fang and Liu Xiaohu to death after the first trial and deprived them of lifelong political rights. Ma Ying, another offender involved in the case, was sentenced to five years imprisonment.

The "Yi Fang corruption case," which created a furor, was exposed last year. During the period from September 1987 to September 1989, Yi Fang, former booking-office clerk and cashier of the transport company under the Guangzhou Management Bureau of the Civil Aviation Administration of China, took advantage of her post to collaborate with her husband Liu Xiaohu and incited his cousin, Ma Ying, to complete the 3,549 blank long-range air tickets she falsely claimed and then get refunds of the tickets, thus embezzling over 3.13 million yuan in public funds.

The court verdict said that the act of Yi Fang, Liu Xiaohu, and Ma Ying, who embezzled the public funds, constitutes a crime of corruption and violation of the criminal law. The case is serious as it involves huge funds. Yi Fang and Liu Xiaohu played a main role in the case and are considered principal offenders who must be sternly punished. Ma Ying, who is an accessory offender, may be treated leniently in light of the case. Therefore, the abovementioned judgement is made in light of the law.

Guangdong People's Congress Relays NPC Session

HK1504041991 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 13 Apr 91

[Text] This morning, the provincial people's congress held a meeting in the provincial government's auditorium to relay the spirit of the Fourth Session of the Seventh National People's Congress [NPC].

The meeting was attended by more than 1,200 people and presided over by Lin Ruo, provincial people's congress standing committee chairman.

Yang Li, provincial people's congress standing committee vice chairman, gave to all the comrades attending the meeting an account of the basic situation and characteristics of the Fourth Session of the Seventh NPC, the situation concerning the discussion of the outlines of the 10-year Program and the Eighth Five-year Plan, and the spirit of the speeches made by the leading comrades of the central authorities in connection with the session.

In his speech, Yang Li said: Premier Li Peng talked about opening up to the outside world in his report. He

said: In the Eighth Five-year Plan, apart from successfully running the existing special economic and economic development zones, it is necessary to concentrate efforts on building Shanghai's Pudong Development Zone and making major strategic decisions regarding Pudong's development. Our Guangdong-based NPC deputies held that it is good that our country is gradually expanding her opening up to the outside world. The opening up of Pudong has not resulted in a sense of loss among the Guangdong people. Shanghai and Guangdong are situated in different economic regions. The development of Pudong will be conducive to the improvement of the macroscopic environment of our country's reform and opening up, which will in turn give a powerful impetus to Guangdong. In the future, Guangdong must further expand its opening up to the outside world. To this end, Guangdong must concentrate efforts on internal strengthening by improving the investment environment, increasing work efficiency, reducing bureaucracy, and guiding foreign investment.

Southwest Region

XINHUA on Tibet's Family Planning Policy

*OW1304083291 Beijing XINHUA in English
0809 GMT 13 Apr 91*

[“Family Planning Policy in Tibet (Tibet's Today and Yesterday Backgrounder)”—XINHUA headline]

[Text] Beijing, April 13 (XINHUA)—China is a big country with more than 1.1 billion people. Based on this basic national situation and in order to balance its population growth with its economic and social development, the Chinese Government has adopted a family planning policy, combining state guidance with people's self-awareness.

This policy, aimed at controlling population growth and improving the quality of people, is regarded as a fundamental national policy.

However, considering the differences among the country's various ethnic groups in terms of population and economic and social lives, the government has formulated a special policy for these ethnic groups, including Tibetans.

According to the policy, detailed family planning regulations and measures in ethnic minority areas should be formulated by the autonomous authorities in the light of local conditions.

When the family planning policy of “one couple, one child” was formally adopted nationwide in the early 1970s, it only applied to Han cadres and workers who worked in Tibet, while local Tibetans were exempt from the policy.

In 1982, Tibetan population increased to 1.78 million from 1.2 million in 1964, with an increase rate as high as 47 percent.

In 1989, based on the actual population situation in Tibet, the people's government of the Tibet Autonomous Region proposed the implementation of family planning policy among Tibetan cadres and workers, encouraging each couple to have one child or two after an interval.

Among farmers and herdsmen, only education of scientific birth control methods, and health care for women and babies were carried out. There was no limit on the number of children. In remote and sparsely populated areas where the population growth was slow, even family planning education was not conducted.

Claims of Han Emigration to Tibet Said Groundless

*OW1204033691 Beijing XINHUA in English
0249 GMT 12 Apr 91*

[“No Emigration Problem in Tibet (Tibet's Today and Yesterday Backgrounder)”—XINHUA headline]

[Text] Beijing, April 12 (XINHUA)—It is totally groundless for a few self-exiled Tibetan separatists to claim repeatedly that 7.5 million Han people have emigrated to Tibet and that the Tibetans have become a minority in Tibet.

Tibetans have always made up the majority of the population in Tibet since its peaceful liberation in 1951. The Han population reported by the national censuses in 1964, 1982 and 1990 was 37,000, 92,000 and 81,000, or 2.8, 4.8 and 3.7 percent respectively of the total population. How could Tibetans become a minority?

The Chinese Government has never made any plans to “repopulate” Tibet. Most of the people from the Han and other Chinese ethnic groups who are helping Tibet are well-educated people or specialized workers and technicians.

They are from all parts of the country and, together with the local Tibetans, have made great contributions to Tibet's economic and cultural construction. They have overcome problems resulting from high altitude. Some have even lost their lives. They have established a profound friendship with the Tibetans.

After the open policy was introduced to Tibet a few years ago, some Han and Hui business people and craftsmen migrated to Tibet. But they are a floating population whose number is also limited. None of them have settled in Tibet.

It is totally groundless to say that many Han people have emigrated into Tibet.

Views on Tibetan Minority Cadre Training

*OW1104130391 Beijing XINHUA in English
0804 GMT 11 Apr 91*

[“Tibetan Cadres in Tibet (Tibet Today and Yesterday Backgrounder)”—XINHUA headline]

[Text] Beijing, April 11 (XINHUA)—One of the important aspects of the regional national autonomy is to train, select and appoint cadres of national minorities.

Since the peaceful liberation of Tibet in 1951, quite a number of cadres of minority nationalities, the majority of whom Tibetans, have been trained. [sentence as received]

Currently, there are over 37,000 Tibetan cadres, accounting for 66.6 percent of the total in Tibet. Tibetan cadres account for 72 percent of the number of cadres at regional level, and 61.2 percent at the county level.

All the principal leading posts in the local people's congresses, governments, people's courts and people's procuratorates at various levels throughout the region are occupied by Tibetan cadres.

In order to revitalize and develop the economy and to promote scientific and cultural development in Tibet, the government has attached high importance to the training of Tibetan professionals.

According to statistics of 1989, professionals of Tibetan and other minority nationalities amounted to 17,000, or 62 percent of the total in the region. Among them are professors, research fellows, architects, engineers, agronomists, doctors, writers, journalists and artists. They are playing an important role in the fields of industry, agriculture, energy, communications, science, technology, culture, education and public health in Tibet.

Tibet Sees Steady Development in Farming, Herding

*HK1404070491 Beijing RENMIN RIBAO in Chinese
8 Apr 91 p 4*

[Report by Reporter Zhu Weiqun (2612 4850 5028); "Tibet's Agriculture and Animal Husbandry Develop in Sustained and Steady Manner"]

[Text] Lhasa, 7 Apr (RENMIN RIBAO)—Tibet's agriculture and animal husbandry have developed in a sustained and steady manner in the 40 years since its peaceful liberation. Comparing 1990 with 1952, the area of arable land expanded from 2.45 million to 3.32 million mu; gross grain yield rose from 155 million to 555 million kilograms; large animals in stock (year-end figure) increased from 9.74 million to approximately 22.8 million head; agricultural and animal husbandry gross output value rose from 180 million to 789 million yuan; per capita net income in farming and herding areas exceeded 440 yuan, and grain in per capita possession doubled that before 1952.

Before 1952, farming remained primitive in Tibet, without any modern farm tools to speak of. Its animal husbandry faced the same conditions, conducted in the way of natural pasturing. Grassland underwent degeneration, and epidemic diseases of domestic animals prevailed, with a very low survival rate.

Since Tibet's peaceful liberation, the people's government has spent large amounts of funds to help Tibet in

its capital construction of agriculture and animal husbandry and adopted a special policy to support the Tibetan people in developing production. Since the Third Plenary Session of the 11th Central Committee, the government has relaxed its policy on agriculture and animal husbandry, and exempted taxes on farming and herding. Under the precondition of state and collective ownership of land and pastures, the policies "farmers have the right to use land, which they manage on their own; and the practice will remain unchanged for a long time" and "herders enjoy ownership of the livestock they raise, which they manage on their own; the practice will remain unchanged for a long time" have been implemented. The contracted responsibility system with science and technology has been spread, with the enthusiasm of the farmers and herders for developing production given full play.

Over the past 40 years, Tibet has selected and nurtured some 80 species of highland barley and wheat crops suitable to local conditions, 40 species of which have been appraised as fine breeds. The area planted with fine breeds accounts for 60 percent of the region's arable land, of which over 10,000 mu are high yielding farmland between 1,000 and 100 mu each plot that turn out 1,000 jin per mu.

Today, the region's agricultural machinery has a total power capacity of approximately 500,000 kilowatts, with a per capita possession of 500 watts among the rural populace, approaching the hinterland's level in rural areas. The areas plowed and sown by tractors are 25 and 65 percent respectively, at about the same level with the hinterland's rural areas.

The contingent of scientists and technicians specialized in animal husbandry is ever growing in Tibet. The region boasts 30,000 agricultural scientists and technicians and peasant technicians, with a regional science and technological service network initially taking shape. Since the Third Plenary Session of the 11th Central Committee, the government has earmarked an annual 15 million yuan for developing science and technology in animal husbandry (excluding funds arranged by prefectural and city finances). The region's 1980 animal husbandry output value was 403 million yuan, up 2.4 times from 1952, with an annual average growth rate of 3.46 percent. Today, the annual per capita consumption of meat and milk are 40 and 80 kilograms respectively, which is higher than other provinces and regions with animal husbandry as the lifeblood of their economies.

North Region

Beijing CPPCC Gets Hong Kong, Macao Members

*OB1404141091 Beijing XINHUA in English
1333 GMT 14 Apr 91*

[Text] Beijing, April 14 (XINHUA)—The Beijing Municipal Committee of the Chinese People's Political

Consultative Conference (CPPCC) today by-elected seven new members including three from Hong Kong and Macao.

William Ho is considered the first member from Macao in the CPPCC Municipal Committee. He is the son of Ho Yin, late member of the Standing Committee of the National Committee of the Chinese People's Political Consultative Conference and Chairman of the Chinese General Chamber of Commerce of Macao. William Ho is the managing director of the Jing Yang Co. Ltd.

New members from Hong Kong are Edwin C.L. Tsang, a noted municipal engineer, and Aloysium F.L. Chu, chairman of the board of directors of the ASEAN Resources Ltd.

Four Sentenced for Passing Counterfeit Renminbi

OW0804213891 Beijing XINHUA in English
1542 GMT 8 Apr 91

[Text] Beijing, April 8 (XINHUA)—Four offenders involved in a counterfeit renminbi bank note trafficking case were recently sentenced by the Intermediate People's Court in Beijing.

Ma Yumin, 29, the principal offender in the case, was sentenced to life imprisonment for trafficking in forged renminbi bank notes with a face value of over 300,000 yuan.

The three other offenders involved in the case were sentenced to imprisonment of varying duration.

In early 1989, Ma, who was unemployed, and one of the three other offenders illegally purchased counterfeit renminbi bank notes with a combined face value of over 300,000 yuan. The bank notes were purchased outside of Beijing, but were subsequently transported to the city.

The offenders later attempted to use the counterfeit bank notes illegally to exchange for foreign currency and for profiteering activities related to gold purchases.

Power Provided to Households in Inner Mongolia

SK1504094591 Hohhot Inner Mongolia Regional Service in Mandarin 1100 GMT 13 Apr 91

[Excerpt] Our region's departments in charge of the supply of power to rural areas raised funds from various quarters and blazed a new road in developing the power supply that requires less investment and yields quicker results. In the past five years or so, the region has enabled six banners and cities, 189 towns, townships, and sumu, 2,871 villages and gacha, and 1.01 million peasant and herdsman households to have power.

With vast land and a sparse population, the rural and pastoral areas of our region had little power supply due to a shortage of funds. This hindered the improvement of the living standards of peasants and herdsmen, and the development of agriculture and animal husbandry. In view of the limited state investment, departments in

charge of the rural power supply have actively encouraged various quarters to raise funds to develop the power supply over the past few years. In the past five years, these departments invested 306.74 million yuan in capital construction, of which 18.095 million yuan was invested by the central authorities, and 286.645 million yuan by local authorities and collectives. They built 931 km of 110-kilovolt power lines, 13 transformer substations, and 46 power stations, totaling 1.598 billion kilovolt-ampere. This increased the percentages of townships, villages, and households which enjoyed a power supply from 74.7, 66.6, and 68.8 percent, respectively, at the end of 1985 to 82.4, 75.7, and 79.1 percent presently. [passage omitted]

Northwest Region

Gansu Strengthens Farmland Capital Construction

OW1504005691 Beijing XINHUA in English
0036 GMT 15 Apr 91

[Text] Lanzhou, April 15 (XINHUA)—Northwest China's Gansu Province is making great efforts in the construction of major farmland improvement and water-control projects.

These projects are being executed to guarantee the steady development of the province's agricultural production. They include expanding the acreage of irrigated land in the province to 18.5 million mu (about 1,200,000 ha) in the next ten years; improving and expanding seven chemical fertilizer plants, raising the annual output of chemical fertilizers from the current 1.2 million tons to three million tons; and improving and expanding four agricultural chemical plants, raising the output of agricultural chemicals by 150 percent.

At present, the province has 13.46 million mu (897,000 ha) of irrigated cultivated land, accounting for one-fourth of the province's total. Half of the province's total grain output is cultivated from this land.

In the next few years, the acreage of irrigated land will be increased at an average rate of 300,000-400,000 mu (20,000-28,000 ha) each year.

At present, 45 projects, including a water diversion canal and a pumping station, are now under construction.

Meanwhile, construction of a 120,000-ton ammonium di-hydrogen phosphate production line in the Jinchang Chemical Industrial Works is proceeding as planned. The project will be completed by the end of the Eighth Five-Year Plan period (1991-1995).

Qinghai Security Chiefs' Conference Concludes

HK1204145191 Xining Qinghai Provincial Service in Mandarin 2300 GMT 11 Apr 91

[Text] The provincial conference of public security bureau chiefs concluded in Xining on 10 April.

The conference stressed: This year, public security organs at all levels in our province must fully exercise their powers and functions, earnestly strengthen social order comprehensive harnessing work, and strive to maintain political and social stability in our province.

The conference pointed out: Over the past few years, public security organs at all levels in our province have explored a lot of good methods and scored notable achievements in comprehensive harnessing work. Nevertheless, as far as the whole province is concerned, social order comprehensive harnessing work has remained a weak link. Our province has yet to create an atmosphere in which all the people join hands and make concerted efforts in this regard.

The conference stressed: As important departments specializing in social order comprehensive harnessing, public security organs must continue to adhere to the principle of severely cracking down on crimes and deal sternly with serious criminal activities. In the meantime, it is necessary to adopt practical and effective measures to strengthen social order comprehensive management in an overall manner, strictly enforce discipline, close up loopholes, reduce crimes, readjust and perfect all types of security maintenance organizations of mass character, carry out training at regular intervals, provide more

professional guidance, and give full scope to their active role in safeguarding social order.

Apart from outlining this year's tasks, the conference also forwarded new demands on how to further reinforce the public security contingent and called on all areas to further strengthen political and theoretical study as well as socialist education, especially education on the aim of the people's police, among all the public security personnel this year so that all police officers and policemen will become the people's faithful guards who are both politically reliable and professionally competent. It is necessary to continue to educate on resisting corruption and honestly performing official duties among police officers and policemen, actively carry out activities aimed at enabling all the people to become advanced; do the best work; perform meritorious deeds; [words indistinct]; carry out the Love-the-People Month activities during the on-going activities of learning from Lei Feng, Jiao Yulu, and (Mengtuo Nayi); and do more good things for the masses to further strengthen relations between the police and the people.

(Chang Zhengren), provincial party committee standing committee member and provincial political and legal affairs committee secretary; and La Bingli, vice provincial governor and provincial political and legal affairs committee deputy secretary, attended and delivered speeches at the conference.

Hong Kong

'Some Progress' in Sino-British Talks on Airport

OW1504112591 Beijing XINHUA in English
1115 GMT 15 Apr 91

[Text] Beijing, April 15 (XINHUA)—The working talks between China and Britain on Hong Kong's new airport here adjourned after eight sessions, totaling more than 30 hours, a Chinese source told XINHUA today.

The talks, adjourned on Saturday, were held on the basis of the talks earlier this month between visiting British Foreign Secretary Douglas Hurd and his Chinese counterpart Qian Qichen, and Lu Ping, director of the Hong Kong and Macao Affairs Office of the State Council, according to a leading member of the Chinese group attending the talks.

The talks "made some progress, though some problems remain to be settled through further consultation," the official said.

On the afternoon of April 13, the British side proposed adjournment and the Chinese side agreed. Both sides agreed to continue the talks on that issue, with specific arrangements to be made through diplomatic channels, the source said.

By adhering to the Sino-British Joint Declaration on the Hong Kong issue and with a "highly responsible" attitude toward the six million people in the future Hong Kong Special Administrative Region (SAR), the Chinese side put forward plans which will ensure the early establishment of a new airport of high-quality and will also guarantee a sound financial base for the government of the SAR, without resorting to increasing taxes or raising loans, the official said.

Paper Criticizes Hong Kong Government on Airport

HK1204142691 Hong Kong WEN WEI PO
in Chinese 12 Apr 91 p 25

[Article by Chen Chien (7115 1017): "Profit Negotiations Before British Withdrawal"]

[Text] Hong Kong needs a new airport, but China and Britain, leaving Hong Kong at a severe disadvantage, cannot reach an agreement on this issue despite protracted negotiations. This remark is being heard from Hong Kong people and also from both the Chinese and British. But who should be held responsible?

The mere statement that "Hong Kong needs a new airport" does not suffice to cover the issue. Those working for the media should devote their energy to analyzing things instead of trying to please the public with claptrap. The Mass Transit Railway [MTR] is an important construction project that has been developed in recent years on the basis of Hong Kong's prosperity, but heavy costs have been paid for it. This company, apart from receiving a capital input of billions of Hong

Kong dollars from the government, is also weighed down by its debt, amounting to tens of billions of Hong Kong dollars. But whenever it proposes an increase in fares to improve its financial condition, it meets with opposition, as it does now. Some activists who claim to be fighting for democracy and people's livelihood invariably rise against all fare increases in order to garner popular support. These people can be ignored. However, the pervasive mentality against fare increases reminds one that each construction project must undergo careful deliberation, and only those that are worth the cost and deemed practical can be implemented. Furthermore, it should be made certain that any cost paid is rewarded by optimum returns.

In fact, these principles cannot be simpler. If all parties agree to them, all that remains to be done is an appraisal of efficiency. This requires careful consideration by experts, but the Chinese and British Government authorities do not have to worry about it. The question of profit is the very reason that the negotiations over the new airport plan have failed to lead to any agreement since they began. Everybody knows how important this is, yet not everyone has an adequate understanding of the problem.

Where do the interests of Hong Kong people lie? Kai Tak Airport is bordering on saturation, and in order to encourage future development, it is imperative to consider expanding the airport or building a new one. Any proposed investment must be examined in terms of cost, risk, and return. If circumstances do not allow, even the best idea will be but a fantasy. The current situation in Hong Kong calls for building a new airport, but it is wrong to neglect efficiency simply because money is available. Where do China's interests lie? The mutual promotion of prosperity between Hong Kong and the mainland has been a common goal and has benefited both sides. After 1997, Hong Kong will return to China as a special administrative region [SAR] and the ties will become even closer. "Your success is our success" was an earnest remark made by the State Council Hong Kong and Macao Affairs Office director, Lu Ping, when he was visiting Hong Kong.

Where do Britain's interests lie? It is evident that Britain did not, does not, and will not want to see Hong Kong decline. But when faced with a conflict of interests and given a choice to make, Britain naturally addresses its own interests, the interests of British businessmen, and those of the Western world, with which it shares a common ideology. Especially as the time of separation draws near, what do you think Britain has on its mind: the future interests of Hong Kong people, or the interests of its homeland? The answer could not be clearer, but in reality, regrettably, many people have banished it from their minds, consciously or unconsciously, and no mention is made of it any more.

As early as the end of 1989, when the Hong Kong governor announced the new airport plan, we published three articles in which we pointed out that it is a major

strategic arrangement by the British before leaving Hong Kong. The essence of this plan is clearly shown in the project advisory contracts with British businessmen, and also in the intention of using this project as lucrative bait to attract the industrial and commercial circles of Hong Kong and other countries, burdening Hong Kong with large international liabilities and contracts and further restricting Hong Kong by other countries in the future. We are not merely looking at the conflict of interests and basing our judgment on assumptions. The new airport plan, long shelved, was suddenly put forward and highlighted on a mammoth scale; without careful comparison of the relative efficiency of various places. Chek Lap Kok was chosen as the site of the prospective airport, followed by a proposal to build a difficult and expensive cross-harbor bridge and so on. All this shows that what the British Hong Kong Government considered was not the Hong Kong people's interests, and its selfishness was even more thoroughly exposed when it later made a hasty decision to finance the building of the Tsing Yi to Ma Wan bridge on its own.

It is understandable that the British want to rake in profits before they leave. In order to win its cooperation for a smooth transition and as a means to pay it back, offering some preferential terms to cater to its interests is not out of the question. After all, the British have contributed to economic prosperity on this land, which they grabbed. But such a gesture should not go beyond limits and, particularly, caution should be taken so as not to tie down Hong Kong in its future development.

The key issue of the new airport negotiations lies here. In view of the foregoing reasons, we believe that the Chinese side will show some tendency toward compromise. The debate over jurisdiction during the transition period is only a derivative question in the course of negotiations and serves as a topic used by one of the two sides in order to cover the key issue and conceal their selfishness. Regrettably, however, this stock trick still works.

If there is any delay regarding the new airport plan, the Chinese side, the British side, and the Hong Kong people are all responsible for it. The Hong Kong Government is the first one to blame, as the deliberation on the new airport started in 1974 but the first plan did not emerge until the end of 1989, a delay of more than 10 years; the second one to blame is still the Hong Kong Government, as the cost of its proposal is extraordinarily high but the grounds to support such expenditure are insufficient; the third one to blame is still the Hong Kong Government, as its hasty decision to start the project makes the whole thing even less trustworthy. That the Chinese side failed to get itself involved at the beginning of the planning is also a problem. And it is regrettable that Hong Kong people have failed to exercise effective supervision. Among them, the legislators in the forefront and the media have given a disappointing account of themselves.

When will the negotiations end? How much benefit can the British side gain? If Hong Kong people acquire a clear understanding of the situation with the help of an actively functioning media and cease to be hoodwinked and manipulated by the negotiators, the negotiations will one day proceed in the direction that benefits Hong Kong people and the "contributions" Hong Kong people will have to make in the end may hopefully be reduced.

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